

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, ET AL.,)	
)	CV No. 18-2340
Plaintiffs,)	
)	Washington, D.C.
vs.)	June 5, 2019
)	10:45 a.m.
CVS HEALTH CORPORATION, ET AL.,)	
)	Day 2
Defendants.)	
<hr/>		Morning Session

TRANSCRIPT OF MOTIONS HEARING
BEFORE THE HONORABLE RICHARD J. LEON
UNITED STATES SENIOR DISTRICT JUDGE

APPEARANCES:

For the United States:

Jay D. Owen
Scott I. Fitzgerald
Jesus M. Alvarado-Rivera
U.S. DEPARTMENT OF JUSTICE
Antitrust Division
450 5th Street, NW
Suite 8700
Washington, D.C. 20530
(202) 598-2987
jay.owen@usdoj.gov
scott.fitzgerald@usdoj.gov
jesus.
alvarado-rivera@usdoj.gov

Peter J. Mucchetti
U.S. Department of Justice
Antitrust Division
Chief
Healthcare
and Consumer Products Section
450 5th Street, NW
Suite 4100
Washington, D.C. 20530
(202) 353-4211
peter.j.mucchetti@usdoj.gov

APPEARANCES CONTINUED

For the State of Florida:

Lizabeth A. Brady
OFFICE OF ATTORNEY GENERAL/FL
PL-01, The Capitol
Tallahassee, FL 32399-1050
(850) 414-3300
liz.brady@myfloridalegal.com

For the State of California,
Florida, Mississippi,
Washington, Hawaii:

Malinda Lee
Office of the California
Attorney General
300 S. Spring Street
Suite 1702
Los Angeles, CA 90013
(213) 269-2663
Malinda.Lee@doj.ca.gov

For Defendant CVS:

Jonathan B. Pitt
WILLIAMS & CONNOLLY LLP
725 12th St., NW
Washington, D.C. 20005
(202) 434-5341
jpitt@wc.com

Michael G. Cowie
Rani A. Habash
Michael H. McGinley
DECHERT, LLP
1900 K Street, NW
Washington, D.C. 20006
(202) 261-3481
rani.habash@dechert.com
mike.cowie@dechert.com
michael.mcginley@dechert.com

APPEARANCES CONTINUED:

On behalf of Amicus
American Medical Assn.:

Henry C. Quillen
WHATLEY KALLAS LLP
159 Middle Street
Suite 2C
Portsmouth, NH 03801
603-294-1591
hquillen@whatleykallas.com

Henry S. Allen, Jr.
AMERICAN MEDICAL ASSOCIATION
330 N. Wabash
Chicago, IL 60611
(312) 464-4271
henry.allen@ama-assn.org

On behalf of Amicus
Consumer Action
and U.S. PIRG:

David A. Balto
LAW OFFICE OF DAVID A. BALTO
8030 Ellingson Drive
Chevy Chase, MD 20815
(202) 577-5424
david.balto@yahoo.com

Andre P. Barlow
DOYLE, BARLOW & MAZARD PLLC
1110 Vermont Avenue, NW
Suite 715
Washington, D.C. 20005
(202) 589-1834
abarlow@dbmlawgroup.com

On behalf of Amicus
AIDS Healthcare Foundation:

Christopher H. Casey
Sean P. McConnell
DUANE MORRIS LLP
505 Ninth Street, NW
Suite 1000
Washington, D.C. 20004
(202) 776-7824
jjaronica@duanemorris.com
chcasey@duanemorris.com
spmccconnell@duanemorris.com

APPEARANCES CONTINUED:

Court Reporter:

William P. Zaremba
Registered Merit Reporter
Certified Realtime Reporter
Official Court Reporter
U.S. Courthouse
333 Constitution Avenue, NW
Room 6511
Washington, D.C. 20001
(202) 354-3249

Proceedings recorded by mechanical stenography; transcript
produced by computer-aided transcription

- - -

WITNESS INDEX

- - -

WITNESSES	DIRECT	CROSS	REDIRECT	RECROSS
-----------	--------	-------	----------	---------

DEFENDANT CVS:				
----------------	--	--	--	--

LAWRENCE WU	200			
-------------	-----	--	--	--

1 P R O C E E D I N G S

2 DEPUTY CLERK: All rise. The United States
3 District Court for the District of Columbia is now in
4 session, the Honorable Richard J. Leon presiding. God save
5 the United States and this Honorable Court. Please be
6 seated and come to order.

7 The matter before the Court is Civil Action
8 No. 18-2340, United States of America, et al., versus
9 CVS Health Corporation, et al.

10 Counsel, please come forward and state your names
11 for the record.

12 MR. OWEN: Good morning, Your Honor. Jay Owen for
13 the United States.

14 THE COURT: Welcome.

15 MR. FITZGERALD: Good morning, Your Honor.
16 Scott Fitzgerald with the antitrust division, also for the
17 United States.

18 THE COURT: Welcome.

19 MR. MUCCHETTI: Good morning, Your Honor.
20 Peter Mucchetti with the antitrust division for the
21 United States.

22 THE COURT: Welcome.

23 MR. ALVARADO: Good morning, Your Honor.
24 Jesus Alvarado with the United States.

25 THE COURT: Welcome.

1 MS. BRADY: Good morning, Your Honor.

2 Elizabeth Brady for the State of Florida and the plaintiff
3 states.

4 THE COURT: Welcome.

5 MS. LEE: Good morning, Your Honor. Malinda Lee
6 on behalf of Plaintiff State of California and the plaintiff
7 states.

8 THE COURT: Welcome.

9 MR. PITT: Good morning, Your Honor.
10 Jonathan Pitt from Williams & Connolly for CVS Health.

11 THE COURT: Welcome.

12 MR. COWIE: Good morning, Your Honor.
13 Michael Cowie from Dechert for CVS Health.

14 THE COURT: Welcome.

15 MR. HABASH: Good morning, Your Honor.
16 Rani Habash from Dechert for CVS Health.

17 THE COURT: Welcome.

18 MR. MCGINLEY: Good morning, Your Honor.
19 Michael McGinley from Dechert for CVS Health.

20 THE COURT: Welcome.

21 MR. QUILLEN: Good morning, Your Honor.
22 Henry Quillen from Whatley Kallas for the American Medical
23 Association.

24 THE COURT: Welcome.

25 MR. ALLEN: Good morning, Your Honor. Henry Allen

1 for the -- with American Medical Association.

2 THE COURT: Welcome.

3 MR. BALTO: Good morning, Your Honor. David Balto
4 on behalf of Consumer Action, the United States Public
5 Interest Research Group.

6 THE COURT: Welcome.

7 MR. CASEY: Good morning, Your Honor. Chris Casey
8 from Duane Morris on behalf of the AIDS Healthcare
9 Foundation.

10 THE COURT: Welcome.

11 All right, Counsel.

12 Mr. Pitt, are you ready to proceed?

13 MR. PITT: We are, Your Honor.

14 THE COURT: Call your first witness.

15 MR. COWIE: Your Honor, we call Lawrence Wu.

16 DEPUTY CLERK: Good morning, sir.

17 THE WITNESS: Good morning.

18 Raise your right hand.

19 (Witness is placed under oath.)

20 LAWRENCE WU, WITNESS FOR DEFENDANT CVS, HAVING BEEN DULY
21 SWORN, TESTIFIED AS FOLLOWS:

22 DIRECT EXAMINATION

23 BY MR. COWIE:

24 Q Dr. Wu, would you introduce yourself by describing
25 your academic background?

1 A Yes.

2 My name is Lawrence Wu. I am an economist.
3 I have a B.A. in economics from Stanford University and a
4 Ph.D. in economics from the Graduate School of Business at
5 the University of Chicago.

6 Q Dr. Wu, what is your current job?

7 A I am president of NERA Economic Consulting.

8 Q How long have you been president?

9 A I've been president for seven years.

10 Q Can you tell us a bit about NERA?

11 A NERA was founded in 1961, one of the very first
12 economic consulting firms that do work in this area.

13 NERA is retained to advise companies with their
14 regulatory matters.

15 We've been retained to advise governments on how
16 to inject competition into the marketplace, and we will
17 advise governments on how to price services like air traffic
18 control or airport landing slots. So that's what we do
19 globally.

20 We have ten offices in the U.S., ten outside the
21 U.S.

22 There are 520 of us.

23 And I am among a few who specialize in economics
24 that -- in the area of antitrust.

25 And I've presented to the regulatory agencies and

1 in proceedings just like this.

2 Q Dr. Wu, before you joined NERA, what was your job?

3 A I was a staff economist at the Federal Trade
4 Commission, and that was from 1992 to 1996.

5 Q When you were at the FTC, did you analyze mergers?

6 A I did.

7 As a staff economist, I worked with the staff
8 attorneys at the FTC. We would review the competitive
9 impact of proposed mergers.

10 For me, many of the transactions I reviewed were
11 in the healthcare field.

12 1992, Bill Clinton was just elected. Health
13 reform did not pass, but it created a wave of innovation and
14 healthcare acquisitions and mergers in the field.

15 Q Dr. Wu, did you also analyze merger remedies when
16 you worked at the FTC?

17 A I did.

18 There were occasions where the parties may propose
19 a settlement or divestiture to resolve the competitive
20 concerns.

21 And as a staff economist, I would be responsible
22 for evaluating whether a remedy was needed; and, if so,
23 would the remedy resolve the competitive concerns? And I'd
24 write a recommendation on behalf of the Bureau of Economics.

25 Q Dr. Wu, I'd like to go through your experience

1 briefly as a testifying expert.

2 Have you testified in trial before?

3 A I have.

4 I have testified in a trial or administrative
5 hearing 14 times.

6 Q Have you testified in this court before?

7 A I have.

8 In 2000, I --

9 THE COURT: Let's be clear about that. When he
10 says "this court," he doesn't mean this judge.

11 THE WITNESS: Yes.

12 THE COURT: You've never appeared before this
13 Court.

14 THE WITNESS: I have never appeared before Your --

15 THE COURT: He's talking about my colleagues in
16 the District Court of D.C., correct?

17 MR. COWIE: Correct.

18 THE COURT: All right.

19 THE WITNESS: Yes. Thank you for that.

20 THE COURT: I don't want the record to be clouded
21 on that subject.

22 THE WITNESS: Yes.

23 I have testified before this court broadly,
24 including your colleagues. That was in the year 2000.
25 There was a merger transaction that the FTC challenged, and

1 I was retained by the merging parties. And that was before
2 Judge Thomas Hogan.

3 THE COURT: Judge Hogan.

4 BY MR. COWIE:

5 Q And, Dr. Wu, you testified in that merger trial in
6 this U.S. District Court on the defense side;
7 is that correct?

8 A Yes. I was retained by the merging parties.

9 Q Have you testified for the government as an expert
10 economist in trial?

11 A I have. I've done that a couple of times.

12 One when I was at the FTC.

13 The FTC brought a complaint against an association
14 for price fixing.

15 And while I was at NERA, the Federal Trade
16 Commission retained me to be their economic expert in a
17 hospital merger challenge that they brought in Missouri.

18 Q Dr. Wu, have you worked at all in the healthcare
19 industry?

20 A I have.

21 During graduate school, I did work at the American
22 Hospital Association as a research analyst.

23 Q And as part of your academic background, have you
24 worked or taught in the healthcare area before?

25 A I have.

1 There was a semester where I was an adjunct
2 professor at NYU's Wagner School of Public Service. That's
3 the school that houses the public policy program at NYU, and
4 I had the privilege of teaching a health economics class for
5 them.

6 Q In your consulting, have you worked on a pharmacy
7 benefit manager merger, or a PBM merger?

8 A I have.

9 I worked on a transaction in 2011 and 2012, and
10 that was when Express Scripts proposed to acquire Medco.
11 And it had to deal with PBM, pharmacy benefit services.

12 Q Dr. Wu, have you testified in the U.S. Congress on
13 healthcare matters?

14 A I have.

15 I had the privilege last year of being asked to
16 testify before a House Subcommittee on Antitrust. The topic
17 was the CVS-Aetna transaction and consolidation in the PBM
18 market.

19 THE COURT: I've seen the testimony. I've read
20 it.

21 THE WITNESS: Thank you.

22 THE COURT: I'm familiar with it.

23 BY MR. COWIE:

24 Q And, Dr. Wu, were you consulting for CVS at the
25 time of that testimony before Congress?

1 A I was not consulting for any party when I appeared
2 before that House subcommittee.

3 Q Dr. Wu, what was your assignment for this case?

4 A My assignment in this case has three parts.

5 THE COURT: Well, who's employing you?

6 THE WITNESS: I've been retained by counsel for
7 CVS.

8 THE COURT: CVS counsel. All right.

9 Go ahead.

10 THE WITNESS: My assignment in this case has three
11 parts.

12 The first is to assess whether the proposed
13 divestiture reasonably resolved the competitive concerns.
14 So this would have to do with a combination of WellCare and
15 Aetna in the PDP marketplace.

16 The second assignment has to do with addressing
17 the vertical foreclosure concerns that were raised
18 yesterday.

19 And the third --

20 THE COURT: Did you sit in on the testimony
21 yesterday?

22 THE WITNESS: I did.

23 THE COURT: Okay.

24 THE WITNESS: And the third assignment was to
25 address questions related to horizontal competition in the

1 PBM marketplace.

2 BY MR. COWIE:

3 Q Dr. Wu, with these assignments, what types of
4 information did you evaluate?

5 A I evaluated the types of information that I would
6 evaluate in all of my consulting assignments.

7 I read company documents. I reviewed and analyzed
8 company data. I read the submissions that CVS and Aetna
9 submitted to the Department of Justice. And, of course, I
10 read various publicly available information and documents.

11 Q Based on your review, what conclusions have you
12 reached, Dr. Wu?

13 A My conclusion is that the proposed divestiture
14 resolves the competitive concerns that the DOJ had.

15 Second, the transaction between Aetna and CVS does
16 not raise vertical foreclosure concerns.

17 And the third is that I see the PBM marketplace as
18 being vigorous and competitive.

19 Q Now, did you also review the comments by the
20 critics to the divestiture?

21 A Yes, I have.

22 The DOJ received a number of comments on the
23 proposed divestiture and I took a look at those comments.

24 There are 146 comments that were in opposition to
25 the proposal.

1 And my observation from that is that almost all of
2 the comments in opposition were from competitors to CVS.

3 Q And, Dr. Wu, did those competitors include
4 competing pharmacies?

5 A Yes.

6 The competitors that provided comments in
7 opposition, most of them were from either independent
8 pharmacists, could be independent physician groups -- yeah,
9 physician groups and pharmacies, so those are the broad
10 category.

11 I did not see, by the way, comments and opposition
12 from employer groups or health plans who were buying PBM
13 services or entities or individuals that I might
14 characterize as customers.

15 Q You mentioned physician groups as a type of
16 competitor. How are physician groups competitors to CVS?

17 A Physician groups are competitors in that CVS has
18 MinuteClinics. There are certain things that an individual
19 may be able to get at a doctor's office or a MinuteClinic,
20 and the services can be as simple as a vaccination or a flu
21 shot. But these are just -- that's how they compete.

22 Q From an economic perspective, how do you view
23 complaints by competitors?

24 A Well, how I view it as an economist and the way I
25 looked at it when I was at the Federal Trade Commission are

1 similar.

2 We would hear from competitors.

3 But typically, we would listen to comments from
4 competitors. And, frankly, we would view them skeptically,
5 because it's important to keep in mind that competition has
6 winners and losers, and competition in antitrust is about
7 protecting competition, not competitors. So we always keep
8 that framework in mind.

9 Q Let's move to some of the details concerning the
10 divestiture.

11 MR. COWIE: Your Honor, I provided your
12 Deputy Clerk yesterday a small set of demonstratives.
13 Do you have that available?

14 THE COURT: You remember what I said yesterday
15 about demonstratives, right?

16 No. He's here to testify, not to show
17 demonstratives.

18 You can show them if he wants to refer to them.
19 We're not putting anything up on the screen. He's just here
20 to testify.

21 MR. COWIE: Do you have -- would you like another
22 set, Your Honor?

23 THE COURT: I have a set right here.

24 MR. COWIE: May I approach the witness?

25 THE COURT: Sure.

1 BY MR. COWIE:

2 Q Dr. Wu, what is the purpose of an antitrust
3 remedy?

4 A The purpose of a remedy in a merger context is to
5 restore competition to pre-merger levels.

6 MR. COWIE: Tab 1, Your Honor, refers to a
7 divestiture study.

8 BY MR. COWIE:

9 Q Dr. Wu, have the antitrust agencies studied the
10 effectiveness of remedies?

11 A Yes.

12 The FTC has studied the effectiveness of remedies
13 on a couple of occasions. The most recent report was issued
14 in January 2017.

15 In that study, the FTC looked at all of the orders
16 from 2006 to 2012, and they did deep dives or case studies
17 on 50 of them.

18 So they evaluated those 50 remedies and wrote a
19 report to describe the lessons learned, what made
20 divestitures successful and what made divestitures not
21 successful.

22 Q And what types of information did the FTC use in
23 that study?

24 A In their case studies, the FTC called market
25 participants, including the merging parties and the buyer of

1 the divested assets, and they also got sales data from
2 various market participants. So it was a pretty -- so it's
3 a combination of data and interviews with market
4 participants.

5 THE COURT: You'd already left there by the time
6 this study was done, right?

7 THE WITNESS: Yes.

8 THE COURT: You left in '96?

9 THE WITNESS: Yes.

10 THE COURT: Right.

11 BY MR. COWIE:

12 Q And this study was looking back at divestitures to
13 see if they, in fact, worked, correct?

14 A That's right, worked or not worked.

15 And what were the factors in -- that made a
16 divestiture more likely to be successful.

17 THE COURT: Some of these divestitures were
18 divestitures that took place during the time that you were
19 at the FTC from '92 to '96?

20 THE WITNESS: No.

21 So I was there in 1996 -- no.

22 The divestitures studied in the January 2017
23 report was from 2006 to 2012.

24 THE COURT: '6 to '12.

25 THE WITNESS: Yeah.

1 THE COURT: Okay.

2 BY MR. COWIE:

3 Q Okay.

4 Does this chart, Dr. Wu, identify characteristics
5 of a successful divestiture?

6 A Yes.

7 So the items on that first tab, they reflect my
8 takeaways from the divestiture report.

9 I think of it in two broad ways. I think about
10 the asset being divested. I think about the buyer, okay.
11 And the items in the -- that list corresponds to both.

12 With respect to the assets, the FTC found that a
13 divestiture was more likely to be successful if the assets
14 being sold were part of an ongoing business or more of a
15 complete business. That made it more likely to be
16 successful. So that's one important aspect of the asset
17 being sold.

18 And then on the buyer's side, the FTC found that a
19 remedy was more likely to be successful if a buyer was
20 pre-approved. If the buyer had knowledge of the industry
21 experience in the market, they know what to do with the
22 asset, they've got a sound financial balance sheet.

23 So those are all factors that would give the --
24 that gave the FTC confidence that the merger was likely to
25 be successful.

1 THE COURT: What was your understanding as to why
2 the Justice Department thought a remedy was needed at all?
3 What was your understanding?

4 THE WITNESS: My understanding is that the
5 antitrust division looked at the competitive overlap in the
6 PDP marketplace.

7 THE COURT: Uh-huh.

8 Of course, as you well know, they don't just
9 compete in the PDP marketplace --

10 THE WITNESS: Well --

11 THE COURT: -- with Aetna then.

12 THE WITNESS: Yeah, okay.

13 So in terms of why -- okay. So -- but in terms,
14 to answer your question --

15 THE COURT: Right.

16 THE WITNESS: -- the DOJ evaluated a number of
17 issues, and I think they concluded that the competitive
18 overlap in the PDP market was what concerned them the most.

19 THE COURT: Okay.

20 THE WITNESS: So there were 34 regions in the
21 country, and they identified 16 areas where they said, Well,
22 there's probably a horizontal issue of concern. Okay.

23 They also evaluated the vertical foreclosure
24 issues, too. And my understanding is that, as they thought
25 about the vertical foreclosure issues, they did not see that

1 as raising a competitive concern that required a remedy.

2 THE COURT: Is that the PBM marketplace?

3 Is that where the -- you speak in terms of
4 vertical foreclosure issues. Translate that into the
5 practical reality of how this works.

6 THE WITNESS: Yes.

7 There are a couple of possible ways that have been
8 described here, in this courtroom. One has to do with PBM,
9 a Caremark's PBM; another has to do with Caremark --

10 THE COURT: Caremark and CVS.

11 THE WITNESS: And CVS.

12 THE COURT: CVS and Caremark are one.

13 THE WITNESS: Right. Okay. Right.

14 Now, the analogy is almost exactly the way it was
15 in AT&T-Time Warner, where, if you thought about the --

16 THE COURT: This should be interesting. This
17 should be very interesting. I'm all ears.

18 THE WITNESS: Yeah.

19 So I'll describe the setup, and then would it be
20 helpful if I described how that applies to this?

21 THE COURT: If you think it does, sure.

22 THE WITNESS: Yeah.

23 So just to give an analogy, when I think about
24 vertical foreclosure, and the way I think about it as an
25 economist is the way economists generally will think about

1 it. I know it's the way the economists and those staff
2 lawyers at the DOJ think about it. They'll think about
3 whether or not there are five -- one of the key elements for
4 vertical foreclosure, to have an anti-competitive effect,
5 okay.

6 So they might start, okay, by saying, Is there
7 some important input that is a must-have input that might
8 give the vertically integrated company some leverage in
9 negotiations.

10 So in the AT&T-Time Warner context, that might
11 have been HBO and CNN, and the question was whether the
12 vertically integrated entity could use those assets to
13 somehow get an advantage. Okay, because they were must-have
14 assets. So that's the first one.

15 And the question that -- the parallel here in this
16 transaction is whether or not CVS and Aetna have a Caremark
17 PBM service that is a must-have input that, Oh, okay, it's
18 so important, because I have CVS -- because I have the
19 Caremark PBM, I can -- this transaction lets me do more.

20 And the same thing with --

21 THE COURT: Why do you keep calling it the
22 Caremark PBM? CVS/Caremark.

23 THE WITNESS: Oh.

24 THE COURT: CVS owns that --

25 THE WITNESS: Yes.

1 THE COURT: -- right?

2 It's the CVS PBM with Caremark, of course.

3 THE WITNESS: Yes.

4 THE COURT: But don't disassociate it, sir.

5 THE WITNESS: Oh, okay.

6 THE COURT: Keep CVS.

7 You keep calling it the Caremark PBM.

8 THE WITNESS: Oh.

9 THE COURT: It's CVS's PBM.

10 THE WITNESS: Yes, it is CVS's PBM.

11 THE COURT: And it controls a third of the
12 marketplace, right? 29 percent, roughly 30, of the PBM
13 marketplace.

14 THE WITNESS: Is it -- so yes.

15 THE COURT: It's one of the three major PBMs which
16 controls 70 percent in the marketplace, correct?

17 THE WITNESS: It is one of the three PBMs that
18 have around here on the 70 percent.

19 THE COURT: Am I off on those statistics?

20 THE WITNESS: No, that's roughly right.

21 THE COURT: Roughly right.

22 THE WITNESS: Roughly right.

23 THE COURT: So a third of the market.

24 THE WITNESS: Yeah, roughly right.

25 THE COURT: Okay.

1 THE WITNESS: And I didn't mean to disassociate
2 Caremark and CVS.

3 THE COURT: No, I know, it's a subtle distinction.
4 But some people listening might not understand that
5 distinction. Let's just keep it less subtle.

6 THE WITNESS: Okay. So I'll say CVS.

7 THE COURT: Yeah.

8 THE WITNESS: Okay. So the CVS PBM. The question
9 is whether or not CVS will be able to use -- the CVS PBM has
10 greater leverage or the CVS pharmacy has leverage, so that's
11 the first step, right.

12 And then the second step, right, is whether or
13 not, if --

14 THE COURT: Well, that wouldn't be the leverage,
15 though, would it, if the merger were to occur?

16 They've got -- CVS/Caremark has the distribution
17 network of CVS/Pharmacy, 7900?

18 THE WITNESS: Yes.

19 THE COURT: Out of the 70,000 in America, so
20 10 percent.

21 THE WITNESS: Okay.

22 THE COURT: Roughly. A little bit more than
23 10 percent.

24 But the leverage if the merger occurs isn't that,
25 is it? It's the 21 million customers they acquire from

1 Aetna, 2 million of which are PDP, the other 19 million of
2 which are in the non-PDP market, right? That's the leverage
3 they gain, this huge market -- this huge collection of
4 customers, am I wrong?

5 THE WITNESS: Your Honor, with due respect, a
6 little bit wrong.

7 THE COURT: No. Go for it.

8 I mean, that's why you're here. You're the
9 expert, I'm not. I'm trying to learn, I'm trying to catch
10 up.

11 THE WITNESS: The reason this transaction does not
12 give CVS any additional leverage --

13 THE COURT: CVS PBM.

14 THE WITNESS: -- CVS, or CVS PBM additional
15 leverage --

16 THE COURT: Right.

17 THE WITNESS: -- is because CVS, the CVS PBM or
18 CVS has been providing PBM services to Aetna already. They
19 have been providing PBM services to Aetna exclusively since
20 2011.

21 So when CVS is negotiating with pharmaceutical
22 companies, they are already doing that with those 22 million
23 lives.

24 This transaction does not actually change the
25 leverage because --

1 THE COURT: As long as they have that contract.
2 How often is the contract renewable?

3 THE WITNESS: These are?

4 THE COURT: With Aetna. Once every couple years?
5 Is it a two-year contract, three-year contract?

6 BY MR. COWIE:

7 Q Dr. Wu, do you have an understanding the contract
8 was entered into in 2011?

9 A I do.

10 Q Do you have an understanding it's a 12-year
11 contract that runs through 2022?

12 THE WITNESS: Yes, it's a 12-year contract.

13 THE COURT: Okay. Good. Thanks for your
14 assistance in that.

15 So at the end of that 12-year contract, if they
16 don't own Aetna, they don't -- Aetna doesn't have to renew
17 it; they can go with someone else for PBM services, right?

18 THE WITNESS: Yes, that's right.

19 THE COURT: Okay.

20 But it's different now. If they merge, they own
21 them.

22 That's a very different posture, is it not, when
23 they own the business that has 21 million subscribers?

24 THE WITNESS: Yes. So --

25 THE COURT: Won't you have a contract with that

1 business that has to be renewed and has to be re-negotiated?
2 That's a pretty different posture, isn't it?

3 THE WITNESS: Well, but not when it comes to --
4 no, not when it comes to the bargaining leverage.

5 So that's the part where -- when I think about
6 does CVS -- does the proposed vertical transaction give CVS
7 more leverage --

8 THE COURT: With manufacturers?

9 If a manufacturer knows that the company they're
10 dealing with has an additional 21 million customers under
11 its umbrella, that doesn't give it added leverage with the
12 manufacturers?

13 THE WITNESS: It does.

14 But what I'm saying is, CVS had that leverage
15 before the transaction.

16 THE COURT: Not to the same extent.

17 You just admitted yourself it's not the same to be
18 subject to a contract that has to be renewed and
19 re-negotiated and being owned?

20 THE WITNESS: Oh, no, no, no.

21 But what I --

22 THE COURT: Very different.

23 THE WITNESS: Well, yeah, a contract is different
24 than being owned.

25 But these are 12-year contracts.

1 THE COURT: Okay.

2 THE WITNESS: And when CVS goes to a
3 pharmaceutical manufacturer, those contracts are not
4 12 years long.

5 THE COURT: No.

6 THE WITNESS: They're negotiating that every year.

7 And that's where they're using that -- they can --
8 CVS can use that leverage of the 21 million lives of Aetna.
9 They were doing it before the vertical transaction. And
10 after the transaction, it's going to be the same thing.

11 That's why I don't see the bargaining leverage
12 changing as a result of this transaction.

13 THE COURT: So the PBM business.

14 THE WITNESS: On the PBM side.

15 Now, there's another reason, right, why
16 I don't think a CVS PBM is a must-have PBM, which is the
17 first step if you're going to have foreclosure, and that is
18 for -- if you think about the CVS PBM customers, for
19 example, health plans, is the CVS PBM really a must-have?
20 Can they do business without the CVS PBM? Or must they have
21 a contract with the CVS PBM?

22 And the reality of what happens in the marketplace
23 is that many health plans don't have to use a CVS PBM. That
24 was the debate, of course, as you know, in *AT&T-Time Warner*,
25 which is, could a cable company, could Comcast or Dish do

1 business without CNN or HBO?

2 What we see here is many health plans don't use a
3 CVS PBM. If you look at the state -- the states, the
4 largest states, I -- many of them, if not most of them,
5 don't use the CVS PBM.

6 THE COURT: Which ones do you have in mind?

7 THE WITNESS: Well, I don't have -- well, I think
8 almost all of the states do not use the CVS PBM, especially
9 the big ones. I don't have that.

10 THE COURT: When you say "the big ones," you mean
11 like California or something?

12 THE WITNESS: Yeah, California. Probably
13 New York. I don't have the --

14 BY MR. COWIE:

15 Q So, Dr. Wu, to test whether CVS/Caremark is a
16 must-have PBM, did you analyze internal bidding data of
17 CVS/Caremark?

18 A Yes. The -- exactly.

19 So that's the other -- so one is -- there are
20 examples of health plans who don't even use the CVS PBM.

21 Second, if you look at the won and lost accounts,
22 just so you know how it works, a health plan will put their
23 PBM service contract up for bid and they'll send it out to
24 different PBMs.

25 CVS will bid, along with many others, and they're

1 only going to choose one.

2 So that's -- so when I look at the bids where CVS
3 wins the PBM and the bid that CVS loses, CVS loses --
4 I mean, they lose bids all the time, and they'll lose to
5 Express Scripts, they'll lose to OptumRx, they'll lose to
6 MedImpact, they'll lose to Prime Therapeutics. So -- you'll
7 see this in the bidding records.

8 THE COURT: Well, it's got 30 percent of the
9 market but not 100?

10 THE WITNESS: Yes. But they compete to keep that.

11 THE COURT: Right.

12 THE WITNESS: Right.

13 THE COURT: No question.

14 BY MR. COWIE:

15 Q Is your analysis that bidding data show that
16 CVS/Caremark often loses clients?

17 A Yes, they sure do.

18 Q And have you observed there are more competitors
19 than just the so-called top three?

20 A There are.

21 So some of them I just mentioned:
22 Prime Therapeutics, MedImpact. Navitus, it might not be a
23 name that you and I are familiar with.

24 THE COURT: It's not a common name.

25 THE WITNESS: Yeah, but they have some of these

1 state contracts.

2 BY MR. COWIE:

3 Q And, Dr. Wu, you heard the testimony yesterday
4 from AHF. Do you remember that?

5 A Yes.

6 Q And you heard that AHF has vertically integrated
7 into health insurance?

8 A Yes.

9 Q Do you know who AHF's PBM is?

10 A AHF uses MedImpact, so that's another example.

11 Q And that's an example of a PBM outside the top
12 three leaders?

13 A Yes, it is.

14 Q Dr. Wu, you mentioned you worked on
15 Express Scripts/Medco. And that, I believe -- did that --
16 was that resolved in 2012 or cleared in 2012?

17 A Yes.

18 Q What did the FTC conclude about competition in the
19 PBM industry at that time?

20 A Well, first of all, the FTC did not challenge the
21 transaction, so the challenge moved forward.

22 And the FTC concluded that competition in the PBM
23 marketplace was vigorous.

24 There were concerns, of course, which is why they
25 did the investigation, but their ultimate conclusion was

1 that it was vigorous.

2 Q And has competition increased since that time or
3 stayed the same?

4 A It has increased.

5 So I'll give you an example.

6 If you look at the FTC's closing statement in
7 Express Scripts/Medco, you will find a dissent, okay, and by
8 one of the Commissioners.

9 And the concern there was at the time, there were
10 three big PBMs: CVS, Express Scripts, and Medco.

11 And there was concern about PBMs that were not in
12 the big three. And one of them was United Healthcare, which
13 had OptumRx.

14 THE COURT: Right.

15 THE WITNESS: And the concern was: Is OptumRx
16 really going to grow or is it going to stay small?

17 Okay. That was the concern, and I understand the
18 concern.

19 But we know what has happened, okay. United and
20 OptumRx is now one of the so-called big-three PBMs.

21 THE COURT: Yep.

22 THE WITNESS: They've grown tremendously.

23 We've seen MedImpact, for example.

24 MedImpact wasn't even mentioned as a player in
25 2012. They went from not showing up on pie charts, where

1 you're listing PBM competitors, where now we see them on pie
2 charts.

3 So that's an example of -- if you just look at the
4 reality of what's happening in the marketplace, that's the
5 reality.

6 BY MR. COWIE:

7 Q Has there been any -- well, you mentioned United's
8 expansion. Has there been any entry in PBMs since 2012?

9 A There has been.

10 I'll just give you a couple of examples.

11 In January of this year, Anthem, which is one of
12 the big Blue Cross/Blue Shield plans in the country --

13 THE COURT: Right.

14 THE WITNESS: -- they announced that they are
15 launching their own PBM called IngenioRx.

16 THE COURT: Say it again. What's the name of
17 that?

18 THE WITNESS: It's called Ingenio, I-n-g-e-n-i-o,
19 capital R-x.

20 THE COURT: Ingenio.

21 THE WITNESS: Ingenio.

22 Okay. Now, by its -- so that is an example of a
23 health plan expanding into PBM services.

24 And what they told everyone in a press release in
25 January is that they have cut off Express Scripts to -- and

1 this is their solution to that.

2 So that is an example from just this year.

3 Last year, there is another one. I think it's
4 called Advanced Rx PBM. It has -- it announced the
5 partnership with a health plan called Centene.

6 And, again, it just shows --

7 THE COURT: Oh, Centene wants to buy WellCare --

8 THE WITNESS: Yes, it does.

9 THE COURT: -- apparently.

10 THE WITNESS: It does.

11 But this is -- but this is part of -- if we step
12 back and think about what are these health plans doing, they
13 are finding ways to organize their services.

14 You know, this is -- by the way, what we see from
15 Anthem and IngenioRx is exactly what happened in 2012, where
16 if you look at United, United had been using Medco for PBM
17 services.

18 THE COURT: Right.

19 THE WITNESS: OptumRx was their in-house solution
20 that allowed them to get away from Medco and to start up.
21 So we saw that in 2012. We're seeing it in just 2019.

22 THE COURT: Yes.

23 BY MR. COWIE:

24 Q So, Dr. Wu, have you concluded that CVS/Caremark
25 is not a must-have PBM?

1 A Yes, I have.

2 Q And is that based on your review of the bidding
3 data?

4 A It's based on my review of the bidding data from
5 the CVS PBM.

6 It's reviewed -- based on my review of the entry
7 that's occurred and three examples of companies that don't
8 even use a CVS PBM.

9 MR. COWIE: Tab 3, Your Honor, contains a table
10 summarizing some very thick contracts.

11 BY MR. COWIE:

12 Q Dr. Wu, what is the source for tab 3?

13 A The source for tab 3 are the actual contracts, and
14 there are two contracts. One is a contract that CVS has
15 entered into with Aetna for the supply of PBM services.
16 That's a 2011 agreement with various amendments over the
17 years.

18 And the second is the 2015 contract between
19 CVS PBM and WellCare for the provision of PBM services.

20 Q And it's your understanding the Aetna CVS/Caremark
21 contract begins in 2011 and was amended several times?

22 A Yes.

23 Q Do you recall yesterday hearing Professor Sood
24 quote from the press release in 2011?

25 A Yes.

1 Q Now, you've gone beyond the press release and read
2 the actual contracts and the amendments over time, correct?

3 A I'm not a lawyer, but I did wade through those
4 contracts, yes.

5 Q And in fairness to Professor Sood, these contracts
6 are not public, right?

7 A They are not public.

8 Q Dr. Wu, there were some questions yesterday about
9 who decides, the PBM or the insurer, in terms of what
10 pharmacies are included or what drugs are covered.

11 Now, health insurers are customers of PBMs, health
12 insurers like CVS and WellCare, correct?

13 A Yes.

14 Q And private employers, say, Marriott, they may be
15 a customer of a PBM?

16 A Yes. Health -- yes.

17 Q And state governments and unions are customers of
18 PBM?

19 A Yes, that's right.

20 Q How is it decided between the PBM and its
21 customers what pharmacies are included in a network?

22 Let's do pharmacies first and then we can do drug
23 coverage.

24 A Those decisions are made by the customer; that is,
25 the health plan or the employer.

1 And the -- I think the best way to understand it
2 is, ultimately, it's the employer that's trying to figure
3 out how to give their employees health plan and pharmacy
4 benefits so they get to choose what they want their
5 employees to have.

6 And health plans are doing the same thing because
7 they're creating health plans that they also want to sell.
8 So they're making the decisions.

9 What the CVS companies of the world do is that
10 they help arrange different networks.

11 So, for example, on the pharmacy side, CVS might
12 create multiple pharmacy networks that they would offer like
13 a menu in a restaurant to an employer or to a health plan.
14 Okay.

15 So there are maybe networks they could offer.
16 They could offer a network where they say, Here's a network.
17 And guess what, employer. Your employees can go to all
18 70,000 pharmacies in the entire country. Fantastic. Okay.

19 But CVS also might construct a network that's
20 narrower. So let's say they haven't -- maybe there's only
21 50,000 pharmacies. Okay. And they might say to the
22 employer, Well, here's another pharmacy network --

23 THE COURT: Is that a hypothetical or is that
24 real?

25 Do they actually go to insurers and say, Our

1 network that we're proposing is the entire pharmaceutical
2 network of the nation, 30,000 pharmacies? Do they actually
3 do that?

4 THE WITNESS: There are broad networks and narrow
5 networks.

6 THE COURT: I understand that.

7 I'm asking you a specific question: Have you ever
8 heard of a situation where a PBM was in a competition with
9 another PBM to get the business of an insurer and they
10 propose as their network the entire nation's pharmaceutical
11 companies, pharmaceutical outlets? That 70,000 is the
12 entire nation.

13 THE WITNESS: Yeah. That's called true -- there
14 are -- I believe there are networks where you have that
15 choice.

16 But this is a tradeoff.

17 Just to be clear, there's a tradeoff here that's
18 being made because, for CVS, when they negotiate a contract
19 with a pharmacy, they may say, I'm going to make, say, the
20 50,000 pharmacies the preferred pharmacy in this network;
21 and as a result, they say to the pharmacy that they will get
22 more volume. And in return for more volume, can we have
23 lower prices?

24 THE COURT: So what's your understanding of what
25 it is when PBMs compete with one another to get the business

1 of an insurer -- insurance company or a state employee, a
2 union, or whatever it is that they're trying to -- what is
3 it they're offering in order to entice the other side to get
4 the business? Isn't one of it the network that they're
5 offering?

6 THE WITNESS: Yes.

7 So one is pharmacy network --

8 THE COURT: That they're offering.

9 THE WITNESS: Which is what network pharmacies can
10 the subscriber go to?

11 THE COURT: And the other is the prices?

12 THE WITNESS: And then depending on the network, a
13 network will have a different price.

14 So if a network allows employees to go to any
15 network in the country, that's probably going to be at a
16 higher price than a network that's narrower where the
17 employer may say, You know what? I'm trying to have a more
18 cost-effective health plan, so I'm going to go with the
19 lower price. But in return, my employees can go to 50,000
20 pharmacy, not 70-.

21 But that's the price volume tradeoff.

22 And pharmacies like it because they're willing to
23 accept lower price for the volume.

24 Employers like it because they can offer their
25 employees a lower-cost benefit.

1 And the PBMs of the world help make that possible
2 by saying, Here are my different networks that you can
3 choose from. You can have a broad network, a medium
4 network, or a narrow network.

5 THE COURT: And how about the options in terms of
6 what drugs are covered?

7 THE WITNESS: Yes.

8 THE COURT: Who also -- who also makes that
9 presentation? The PBM makes, as part of its overture, sets
10 forth what drugs would be covered.

11 THE WITNESS: Yes.

12 So that's the same thing, too.

13 So the PBM will go to the manufacturers, and they
14 also will be constructing what -- well, the word is called
15 "formularies." They'll be constructing formularies.

16 THE COURT: Right.

17 THE WITNESS: And a formulary, as you probably
18 know, are just lists of drugs that are going to be covered
19 by the benefit, okay.

20 THE COURT: Right.

21 THE WITNESS: So, again, it's the same thing.

22 The PBM can offer the employer or a health plan a
23 broad formulary, where they might say, you know, employees
24 can get the branded drug and the generic drug, whatever the
25 doctor says or whatever the pharmacist says is fine, okay.

1 That would be a broad formulary.

2 THE COURT: So in a competition with other PBMs,
3 each PBM seeking to get the business will come up with a
4 program that it believes will give it the advantage to get
5 the contract, right?

6 THE WITNESS: Right.

7 THE COURT: So it's not really that the insurance
8 companies' making a specific bottom-line demand that they
9 have to do X, Y, and Z?

10 THE WITNESS: No.

11 Well, it's not the employers making a demand but
12 the employers that have the choice, and they ultimately
13 decide what kind of plan or benefit do they want to offer
14 their employees.

15 The PBM is just offering a menu. It's like a
16 restaurant.

17 THE COURT: Well, then, what gives a competitive
18 advantage to one PBM over another? In their competition.

19 THE WITNESS: Well, so what -- so it's a
20 combination of price and combination of how attractive the
21 formulary is and how attractive the pharmacy is.

22 THE COURT: So will the CVS PBM be stronger as a
23 result of having those 21 million Aetna customers under its
24 umbrella?

25 In the 7900 pharmacies that they have nationwide,

1 won't they be stronger with those two combined?

2 THE WITNESS: So I don't think so, because --

3 THE COURT: You don't think so?

4 THE WITNESS: I don't think so, because when
5 CVS --

6 THE COURT: Did Justice evaluate that issue?

7 THE WITNESS: My understanding is that they did.

8 THE COURT: They did.

9 Did you see their analysis of it in writing?

10 THE WITNESS: I have not. That's -- I believe
11 that's confidential.

12 THE COURT: If they did it in writing, the Court
13 sure as heck should have it.

14 THE WITNESS: But they did mention in their
15 comments that they do not think foreclosure is an issue.

16 But I don't think that transaction changes a
17 leverage for the CVS PBM when it comes to negotiating or
18 developing the formularies.

19 And nothing changes on the pharmacy side either.

20 THE COURT: What do you mean by that?

21 THE WITNESS: Meaning before the transaction, CVS
22 had its pharmacies and its list of -- and there's different
23 pharmacy networks.

24 Having Aetna does not give it more pharmacies or
25 anything like that.

1 THE COURT: No.

2 BY MR. COWIE:

3 Q Dr. Wu, I think Judge Leon made a comment
4 yesterday that most folks don't understand the details of
5 PBMs. Would you agree that most folks don't know how PBMs
6 operate?

7 (Cellular telephone ringing.)

8 THE COURT: Maybe that's a California thing.

9 A Florida thing, I should say.

10 Ask your question over.

11 BY MR. COWIE:

12 Q Dr. Wu, would you agree most folks don't
13 understand the details of how a PBM operates?

14 THE COURT: I think I said they don't even know
15 what a PBM is, let alone how it operates. They don't --
16 they've never heard of it.

17 MR. COWIE: Most --

18 THE COURT: I've already admitted, I never heard
19 of it before I got this case. Never heard of a PBM, didn't
20 know what it was. Never heard of it.

21 THE WITNESS: I would agree that --

22 THE COURT: How about you?

23 THE WITNESS: Well, I know about PBMs.

24 THE COURT: You've been working in this industry a
25 long time.

1 THE WITNESS: Right.

2 But my mom probably would not know what a PBM is.

3 THE COURT: No, she probably wouldn't. That makes
4 sense.

5 BY MR. COWIE:

6 Q So, Dr. Wu, do you understand that a PBM customer,
7 say the state of Maryland, say Marriott, would -- hires
8 experienced professionals that understand medical benefit
9 contracts, they understand pharmacy benefit contracts?

10 A Yes, Your Honor.

11 There is a -- well, we can count on the
12 marketplace to resolve gaps in information, and that's
13 exactly what's happened.

14 There is a huge industry of consultants whose job
15 it is to help employers and health plans negotiate the way
16 health plan benefits are offered in this country.

17 THE COURT: Including your company.

18 THE WITNESS: Mercer.

19 THE COURT: Yes.

20 THE WITNESS: Is a sister company. They do
21 exactly this.

22 And that is their job, to wade through -- to do
23 two things; wade through the options and to help employers
24 and health plans actually make this choice. What do you
25 want? What kind of health plan do you want? What benefits

1 do you want? And then they negotiate, in a smart way, for
2 the employer, right.

3 THE COURT: Okay.

4 BY MR. COWIE:

5 Q Dr. Wu, would you focus again on tab 3 for a
6 moment.

7 Why are you comparing the contract of CVS/Caremark
8 with Aetna and the contract of CVS/Caremark with WellCare?

9 A Well, first, I wanted to understand what that
10 arrangement was, and I wanted to compare that to the
11 WellCare arrangement, because I want to understand, is
12 WellCare -- as a buyer, is it in the same position as Aetna,
13 is it in a worse position, better position, because that
14 will help us evaluate whether WellCare, as a buyer, is as
15 suitable as Aetna was.

16 Q And how does the relationship compare, having
17 reviewed the contracts?

18 A They are very comparable, and that's what this
19 chart shows.

20 If I had to summarize it, I think about it this
21 way. I think about Aetna, for example, doing -- well, let
22 me start over.

23 What this chart has is, there are a number of core
24 functions of a PBM. There's some things that Aetna will do.
25 There's some things that CVS PBM will do.

1 And roughly, even though it's thousands of pages,
2 I'm going to boil it down to --

3 THE COURT: Thousands?

4 THE WITNESS: It's -- thousands? It's a huge --
5 it's a big contract.

6 I would boil it down to, what Aetna does is mostly
7 functions related to customer-facing activities.

8 THE COURT: What does that mean, customer-facing
9 activities?

10 THE WITNESS: Well, they'll do things like they
11 might help -- they might contract on -- they might work on
12 the pharmacy network or customer service.

13 So for a PBM, their employees might need help.
14 So they'll handle -- Aetna will handle the, like, customer
15 service and make decisions on what -- like we were just
16 talking about, what decisions should be made regarding the
17 formulary, right.

18 THE COURT: So if one of their insured goes to a
19 pharmacy and has a problem getting the drug or the price,
20 the co-pay is too high or whatever, Aetna would be the one
21 who took the call as to the concern or the problem that the
22 insured had and would, in turn, interact with the PBM to
23 figure out how it is or why it is that the co-pay is
24 different than they thought it would be? Is that the kind
25 of thing you're talking about?

1 THE WITNESS: Yeah, yeah, exactly.

2 THE COURT: Okay.

3 THE WITNESS: And then the CVS/Caremark PBM,
4 they'll do what I'll call the guts of a PBM. It's like
5 Intel with chips. It's Intel inside. It's basically
6 Caremark inside.

7 So Caremark would be the one that would negotiate
8 with a -- with the pharmaceutical manufacturers. So that
9 would be a CVS responsibility, not an Aetna responsibility.

10 THE COURT: Right.

11 THE WITNESS: Okay.

12 So it's Caremark inside, Aetna on the outside.

13 So the boxes that -- when a drug -- if a
14 subscriber were to get a delivery, you'll have Aetna on the
15 outside, and Caremark is the one who actually shipped it,
16 for example, or arranged for the actual drug to get to that
17 patient.

18 And WellCare is exactly the same way.

19 So WellCare has those functions to do the -- what
20 I've been calling the customer-facing function.

21 BY MR. COWIE:

22 Q Dr. Wu, the bottom of this chart refers to a
23 firewall.

24 A Yes.

25 Q Are there firewall terms in each contract?

1 A Yes, there are firewall terms in both contracts.

2 Q And how do -- do you have an understanding of how
3 they operate?

4 A I do.

5 Firewalls are important here. It's important for
6 both CVS and it's important for Aetna and WellCare.

7 Look, Aetna knows CVS has a PDP plan. It doesn't
8 want its competitive information being passed along
9 accidentally or any other way to SilverScript, okay. So it
10 wants a firewall.

11 CVS wants a firewall, because if you step back and
12 look at the CVS PBM business, it's Caremark inside for so
13 many health plans. The Caremark inside business is a
14 \$36 billion business, okay, not including Aetna. That's the
15 magnitude of the Caremark inside business.

16 THE COURT: What do you mean by that?

17 THE WITNESS: Meaning --

18 THE COURT: Caremark PBM business?

19 THE WITNESS: Yes.

20 For Caremark as a customer, they -- serving health
21 plans, not just their own, is a huge part of their business.

22 They want the firewall, because they have to --

23 THE COURT: A huge part of CVS's business?

24 THE WITNESS: Yes, CVS PBM's business, right,
25 because that's the Caremark inside part of it, as opposed to

1 other -- as opposed to CVS.

2 THE COURT: Be careful with this use of "inside"
3 thing.

4 THE WITNESS: Oh, okay.

5 THE COURT: You know, you're making an analogy to
6 Intel or something.

7 The CVS PBM that operates with Caremark is -- when
8 you say "inside," you mean there are negotiations with
9 manufacturers and wholesalers and network assembling, right,
10 as opposed to Aetna customer service?

11 THE WITNESS: Yes.

12 THE COURT: Okay.

13 So don't use the word -- be careful how you use
14 the word "inside." It's confusing.

15 THE WITNESS: Okay.

16 THE COURT: You're talking about CVS/Caremark's
17 negotiations with manufacturers, wholesalers and network
18 assembling, right? That's the "inside" you're referring to?

19 THE WITNESS: Along with many other functions.

20 THE COURT: Okay. Tell me some of the others.

21 THE WITNESS: So the other functions would be a
22 mail-order pharmacy.

23 THE COURT: They do -- 40 percent of their
24 business is mail order, isn't it, CVS, the pharmacy part?
25 40 percent? It's a pretty big part of their business, isn't

1 it?

2 THE WITNESS: It's -- yeah, I don't recall the
3 number, but it's --

4 THE COURT: Okay.

5 THE WITNESS: -- it's something, I think --
6 I think that's something that they wanted to grow and
7 develop.

8 THE COURT: What other kinds of things, inside?

9 THE WITNESS: Caremark -- or CVS/Caremark will do
10 claims processing.

11 So fundamentally, there's a lot of IT involved
12 here. So that's a huge part of just the administration.

13 THE COURT: Okay.

14 THE WITNESS: So it's contracting with pharmacies,
15 it's pharmaceutical manufacturing negotiations, could be the
16 mail order, claims processing, so that would be part of it.

17 So I -- so that's -- so -- but --

18 THE COURT: So they're competing -- at that point,
19 pre-merger, they're competing with Aetna's PBM? Pre-merger?

20 THE WITNESS: No. So that's where it's not that
21 they're competing with Aetna's PBM.

22 THE COURT: They are in a PBM, excuse me.

23 THE WITNESS: With whose --

24 THE COURT: Aetna's.

25 THE WITNESS: No.

1 So Caremark is not competing with Aetna for their
2 PBM. They're helping Aetna go to the world to say, We have
3 an Aetna PBM.

4 So Aetna is telling -- it's selling its health
5 plan. And it's saying, We also have a PBM, along with the
6 health plan benefits. So that's what they tell the
7 employers.

8 But that Aetna PBM is really what we see on this
9 chart, which is a combination of what Aetna does and what
10 Caremark does.

11 THE COURT: Pre-merger there, Aetna is using
12 CVS/Caremark's PBM?

13 THE WITNESS: Yes, for some of the -- for the
14 services that are on this slide.

15 THE COURT: But they also have their own PBM,
16 don't they, pre-merger?

17 THE WITNESS: No, they don't.

18 THE COURT: They don't have their own?

19 THE WITNESS: No.

20 This is -- the CVS-Aetna agreement is essentially
21 creating what we know or what we see as the Aetna PBM.

22 THE COURT: Okay.

23 Why don't we take a five-minute break. My court
24 reporter is working very hard. And he's been doing this for
25 an hour now, and I think he deserves a break.

1 So we'll come back in about five minutes, five or
2 ten minutes. And we'll go till 1:00 or roughly -- we'll get
3 you your second hour in when we return, okay?

4 THE WITNESS: Okay.

5 THE COURT: Very good.

6 THE WITNESS: Thank you.

7 THE COURT: You can step down.

8 DEPUTY CLERK: All rise.

9 (Recess from 11:58 a.m. to 12:20 p.m.)

10 DEPUTY CLERK: All rise. This Honorable Court is
11 again in session. Please be seated and come to order.

12 BY MR. COWIE:

13 Q Dr. Wu, pre-merger, has Aetna operated a PBM
14 business?

15 A It has not.

16 Q Have you reviewed CVS documents to see who
17 CVS/Caremark views as a competitor in the PBM space?

18 A Yes, I have.

19 Q And have you reviewed the bidding data of the
20 win-loss data to see who CVS used as a competitor in the PBM
21 space?

22 A I have.

23 Q Does that evidence show whether CVS views Aetna as
24 a competing PBM?

25 A They do.

1 And CVS does not view Aetna as a competitor in the
2 PBM market.

3 Q Is Aetna a customer rather than a competitor?

4 A Yes, it's a customer, or maybe a better term is it
5 is a re-seller of CVS's PBM services.

6 Q So going back --

7 THE COURT: Explain that.

8 THE WITNESS: Aetna is a re-seller of PBM services
9 in that when Aetna approaches an employer to compete for
10 health and pharmacy benefits, it wants to go to an employer
11 to say, I have a health benefits program and a pharmacy
12 benefits program.

13 THE COURT: This is pre-merger?

14 THE WITNESS: Pre-merger, yes.

15 And for the pharmacy benefits part of it, they
16 will offer the PBM services along the lines of the contract
17 that we talked about earlier. So that's the sense in which
18 Aetna is offering a PBM.

19 But it is re-selling the CVS PBM portion of it,
20 because, for Aetna's customers, they would not know that its
21 Caremark doing the pharmaceutical company negotiations and
22 all that.

23 THE COURT: Wouldn't it be on your card, your
24 insurance card?

25 THE WITNESS: I believe it would have "Aetna" on

1 it. So that's why -- I think it's "Aetna" on the outside
2 and -- but CVS is part of it.

3 BY MR. COWIE:

4 Q So your view, Dr. Wu, is Aetna is a re-seller, a
5 re-seller of CVS/Caremark PBM services?

6 A Yes. That was the --

7 THE COURT: If they're using it for PBM services,
8 they're contracting with them for that, right? So they're
9 paying them for it?

10 I mean, they don't to that for free. CVS/Caremark
11 does not give PBM services for free, right?

12 THE WITNESS: That's right.

13 THE COURT: So Aetna is paying them for those
14 services?

15 THE WITNESS: Yes.

16 Yeah, okay. So that's why --

17 THE COURT: So I don't know what you mean when you
18 say they're re-selling it.

19 THE WITNESS: Yeah. So it's -- yeah. So it's a
20 complicated relationship.

21 So on the one level, they're a customer, because,
22 as you say, they are paying CVS for the PBM services.

23 THE COURT: So there are negotiations for the
24 pharmacy network --

25 THE WITNESS: Yeah.

1 THE COURT: -- and all the other services they're
2 providing.

3 THE WITNESS: Yes.

4 THE COURT: They're paying for it.

5 THE WITNESS: Yes, they are paying for it.

6 I was just referring to the outward-facing part
7 for Aetna's health plan customers; that they may not know
8 who is actually doing the PBM work.

9 BY MR. COWIE:

10 Q So when Aetna sells to a small employer,
11 essentially they're re-selling Aetna medical insurance and
12 CVS/Caremark PBM services?

13 A Yes. That was what I was trying to get at.

14 Q Dr. Wu, have you assessed whether Aetna has plans
15 to enter and become a standalone PBM competitor?

16 A I have.

17 Aetna --

18 THE COURT: Pre-merger or now?

19 MR. COWIE: Pre-merger.

20 BY MR. COWIE:

21 Q Premerger, did Aetna have plans to become an
22 independent PBM competitor?

23 A No, it did not.

24 Q And you've reviewed the documents on that?

25 A Yes.

1 Q Dr. Wu, I think you recognized early today that
2 pre-merger, CVS and Aetna competed in Medicare Part D,
3 correct?

4 A Yes.

5 THE COURT: PDP competitors.

6 MR. COWIE: PDP competitors.

7 THE COURT: Exactly.

8 BY MR. COWIE:

9 Q Is there any other product where Aetna and CVS
10 competed pre-merger?

11 A No.

12 Q That includes PBM services?

13 A Yes.

14 MR. COWIE: Tab 4, Your Honor, contains a chart
15 addressing a vertical theory.

16 BY MR. COWIE:

17 Q Now, Dr. Wu, what is your understanding of the
18 critic's vertical theories?

19 A You know, they mention a couple of vertical
20 theories. One has to do with selling an input that's a
21 must-have input, to customers, and they focus on two such
22 inputs, one being the PBM and one being the pharmacy
23 network.

24 Q And, Dr. Wu, have you reviewed this Court's
25 May 13th order?

1 A Yes, I have.

2 Q And that describes a vertical theory, correct?

3 A It does.

4 Q And is this chart attempting to capture the theory
5 described in that order?

6 A Yes.

7 This is addressing the concern that the CVS-Aetna
8 entity may use the Caremark PBM, the CVS PBM, as leverage to
9 disadvantage a PDP competitor in an effort to favor its own
10 PDP plan.

11 Q CVS is a PDP competitor in a business branded
12 SilverScript. We can call it CVS/SilverScript, but that's
13 how CVS competes?

14 A Yes.

15 Q So premerger, CVS or SilverScript competed with
16 Aetna in PDP, correct?

17 A Yes.

18 Q And we heard from Professor Sood that Aetna has
19 performed very well the last several years as a PDP
20 competitor, correct?

21 A Yes.

22 And the data show that also.

23 Q Have you seen any evidence that pre-merger
24 Caremark tried to sabotage or harm Aetna in order to benefit
25 its SilverScript PDP business?

1 A No, I've not.

2 Q Have you seen any evidence that CVS/Caremark
3 misused information or violated firewalls in order to
4 benefit the SilverScript business?

5 A I have not.

6 Q And the evidence shows, as Professor Sood pointed
7 out, that Aetna actually performed well during this
8 long-term relationship with Caremark, correct?

9 A Yes. And that is what the data show.

10 Q Now, the WellCare arrangement with Caremark goes
11 back to 2015, correct?

12 A Yes.

13 Q And WellCare has been a PDP competitor of
14 CVS/SilverScript, correct?

15 A Yes.

16 Q Have you seen any evidence from the critics or in
17 your evaluation showing that Caremark has undercut WellCare
18 to benefit SilverScript?

19 A I've not seen anything of the sort.

20 Q Does this merger change any of the incentives?

21 A It does not.

22 Prior to the merger and the divestiture, we have a
23 situation where CVS is providing PBM services to a PDP plan
24 where everyone knows that CVS also has a -- its own PDP
25 plan.

1 THE COURT: Right.

2 THE WITNESS: The potential for vertical
3 foreclosure was there. But we do not see any, and I do not
4 see any, evidence of foreclosure, and we see Aetna being
5 successful.

6 With the divestiture, all of Aetna's PDP assets
7 basically get transferred to WellCare. Same assets,
8 different name.

9 SilverScript is still there. CVS is still
10 performing the same services to WellCare as it was
11 performing to Aetna.

12 THE COURT: Dr. Sood talked about how they can
13 only use the Aetna name until the end of this year.

14 And then, of course, the relationships with these
15 65-year-old Medicare Part D people is a year at a time.

16 And so there's a risk that when they can no longer
17 use the Aetna name, they have to switch to WellCare, that
18 they're going to start losing those customers. And CVS, of
19 course, is hoping to pick up those customers. Well, one
20 would have to logically assume that since they're
21 competitors, right?

22 So he, Dr. Sood, expressed great concern,
23 especially as indicated by the price at which WellCare
24 bought the business, suggesting that they didn't expect to
25 keep all those customers in perpetuity, that they would lose

1 a lot of those customers, and that WellCare would be
2 perfectly -- excuse me, that CVS would be perfectly
3 positioned to pick them up.

4 Do you disagree with his analysis in that regard?

5 THE WITNESS: I do, because I think I have facts
6 that he does not know.

7 THE COURT: Well, tell us them.

8 THE WITNESS: I'll just give you an example.

9 THE COURT: Tell me them.

10 THE WITNESS: One key aspect of Dr. Sood's
11 analysis has to do with retention rates.

12 THE COURT: Uh-huh.

13 THE WITNESS: Okay.

14 And Dr. Sood raises a fine point, but he is
15 speculating as to what the retention rate is.

16 When I've looked at this issue, probably the best
17 way I can describe my conclusion is from an example of an
18 acquisition of a PDP plan that CVS did in 2016. They bought
19 or acquired a PDP plan called Torchmark.

20 THE COURT: What's it called?

21 THE WITNESS: Torchmark.

22 THE COURT: Torchmark.

23 2016?

24 THE WITNESS: Yes.

25 THE COURT: Okay.

1 THE WITNESS: In modeling that transaction, CVS
2 looked at the retention rates of prior transactions. Is it
3 100 percent? 50 percent? Lower?

4 And in looking at the data, they found retention
5 rates, on average, of 95 percent.

6 And I view that as significant because that is the
7 number that they use when they model a PDP acquisition.

8 So I don't think that there is a retention rate
9 issue to the extent that Dr. Sood does.

10 THE COURT: Would you agree with Dr. Sood that
11 there's a clear advantage, from a branding point of view, of
12 Aetna versus WellCare?

13 THE WITNESS: I don't because --

14 THE COURT: You think WellCare has a comparable
15 brand to Aetna? The second or third largest insurance
16 company in the United States?

17 THE WITNESS: Well, before I studied the PDP
18 market, I'm not sure I even knew the brand name
19 SilverScript.

20 THE COURT: Yeah, but Aetna now, come on. You've
21 known about the existence of Aetna for -- through your whole
22 adult life, probably. It's one of the biggest brands in the
23 insurance industry; it's one of the top two or three.

24 THE WITNESS: But if I recall --

25 THE COURT: Okay.

1 THE WITNESS: -- the Aetna PDP plan, I don't know
2 that is branded as Aetna. I believe it might be branded as
3 an AARP plan.

4 But there's a brand -- I -- well --

5 BY MR. COWIE:

6 Q Dr. Wu, Aetna's PDP plan is branded as Aetna as
7 far as you understand?

8 A Okay.

9 THE COURT: Thank you.

10 BY MR. COWIE:

11 Q But there -- there are successful PDP plans with
12 brands like SilverScript and Express Scripts and others who
13 may not be household names, correct?

14 A Yeah, there are.

15 THE COURT: Go ahead, finish your thought, unless
16 you've maybe finished it.

17 THE WITNESS: Well, you had asked the question
18 about the price, but maybe there's --

19 BY MR. COWIE:

20 Q Well, just so -- on the retention rates, you've
21 reviewed ordinary course of business records showing
22 95 percent retention rates --

23 A Yes.

24 Q -- correct?

25 And Professor Sood has not cited any data or

1 documents supporting any particular retention rate, correct?

2 A Correct.

3 Q As Judge Leon mentioned, Dr. Sood and others have
4 suggested the purchase price, the 107 million purchase
5 price, is too little.

6 What is the significance in remedy analysis or
7 antitrust analysis of the purchase price?

8 A Well, first of all, I don't think the purchase
9 price is too low, and I base that opinion based on analysis
10 that CVS has done in the context of doing sales and
11 acquisitions.

12 And WellCare is paying CVS basically \$50 per
13 member for the Aetna assets.

14 When I look at other acquisitions and -- I will
15 see that \$50 per member is within the range of prior sale
16 prices.

17 A recent example is when CVS acquired the PDP
18 lives from a health plan called Health -- called CareFirst,
19 and I believe the purchase price there was \$40 per member.

20 So there's a wide range. There are many things
21 that go along with the assets, but it's within the range.

22 So first of all, it's within the range.

23 And second of all, price itself doesn't mean that
24 WellCare -- whatever the price, WellCare still has strong
25 incentives to compete with the assets that it acquired.

1 The only problems might be if a low price signals
2 somehow that the assets are not valuable.

3 But in this case, the assets that WellCare is
4 getting is the whole Aetna PDP business, that is it. It's
5 not --

6 THE COURT: It's 2 million customers.

7 THE WITNESS: Yes, 2 million customers.

8 It's not being carved up as one might be concerned
9 in, say, prior divestitures --

10 THE COURT: Well, it probably enhanced its value
11 to Centene.

12 Maybe it was already in play behind the scenes
13 that we don't know about with Centene.

14 I don't know if they were or they weren't, but
15 obviously Centene is trying to acquire them or has acquired
16 them. It hasn't been approved yet by DOJ.

17 THE WITNESS: Yes. So I don't know about that
18 either.

19 THE COURT: I don't either, but maybe I'll get it
20 as a related case.

21 Sorry, guys.

22 BY MR. COWIE:

23 Q On this contention that the price was too little,
24 you reviewed past transactions and studied the actual
25 purchase price from past transactions?

1 A I did.

2 Q Has Professor Sood done that?

3 A I do not --

4 THE COURT: If you know.

5 THE WITNESS: I don't know but --

6 THE COURT: You don't know.

7 THE WITNESS: It's like a confidential
8 information.

9 BY MR. COWIE:

10 Q Is it in his presentation?

11 A It is not.

12 Q And in fairness to Professor Sood, that
13 information may not be publicly available, correct?

14 THE COURT: It may not be.

15 THE WITNESS: That's right.

16 BY MR. COWIE:

17 Q Dr. Wu, Judge Leon asked an important question of
18 Professor Sood yesterday, bearing on foreclosure analysis.
19 The question is, What portion of CVS Health is the
20 SilverScript or Part D business?

21 Do you have an understanding of that?

22 A I do.

23 Q About what portion on a revenue basis?

24 A SilverScript has revenues of around \$3 billion.
25 That's around 1 percent of the entire CVS business.

1 Q Does revenues from the Care -- from the WellCare
2 contract that -- CVS/Caremark's contract with WellCare more
3 than double the SilverScript revenues?

4 A Yes.

5 Q And that's just that one contract?

6 A Yes, just that one contract.

7 THE COURT: So over 6 billion?

8 THE WITNESS: Yes, correct.

9 MR. COWIE: Yeah.

10 BY MR. COWIE:

11 Q And just for the record, the exact sum is
12 confidential, so I'd like you to just refer to it being more
13 than double.

14 A Yes, to clarify, it's more than double.

15 Q And what is the significance of that for a
16 foreclosure analysis?

17 A That fact is significant because one of the key
18 aspects of foreclosure is that foreclosure, if it's going to
19 have an anti-competitive effect, has to be profitable. And
20 when a company is considering, in theory, whether it should
21 engage in a strategy of foreclosure, it has to weigh
22 two things; it has to weigh the loss of profits that you
23 would get from the blacked-out -- from the sales that it
24 would not get from the blacked-out input.

25 And in return, it's hoping to make more money when

1 the blackout leads customers to end up going to its favored
2 downstream entity. So in this case, SilverScript.

3 So, again, thinking very broadly, one would have
4 to question whether foreclosure is a profitable strategy
5 here because the Well -- if the WellCare contract is over
6 double the revenues of SilverScript, the gain to
7 SilverScript -- the strength it would put at risk is a much
8 bigger business on the PBM WellCare side to support a
9 business that's fairly small.

10 The other way I've thought about this is --

11 THE COURT: So it wouldn't be the incentive to
12 CVS/Caremark's PBM business to advantage the SilverScript
13 customers over the WellCare PDP customers?

14 THE WITNESS: Yes, because --

15 THE COURT: Is what you're saying?

16 THE WITNESS: Yes, because the PBM business --

17 THE COURT: More profitable?

18 THE WITNESS: More -- and bigger. This is --

19 THE COURT: I think the revenue, CVS revenue,
20 Caremark revenue was 36 billion, PBM?

21 THE WITNESS: Yes.

22 Not including Aetna.

23 So that's exactly right for the combined entity;
24 that what's going to be at risk if it engages in a
25 foreclosure strategy is \$36 billion of the health plan PBM

1 business, which is a huge part of the overall CVS PBM
2 business.

3 BY MR. COWIE:

4 Q So, Dr. Wu, the 36 billion, that is just
5 CVS/Caremark's revenue to health insurers, correct?

6 A Yes.

7 Q Total revenue of CVS/Caremark is more than that?
8 THE COURT: Of PBM business?

9 BY MR. COWIE:

10 Q Correct.

11 Total CVS/Caremark PBM business is over 100
12 billion, correct?

13 A Right.

14 Q You mentioned the 36 billion because the
15 foreclosure strategy is you're going to sabotage those --
16 that business to benefit SilverScript, correct?

17 A Right.

18 Q And to Judge Leon's point, you don't -- it doesn't
19 make -- from a financial incentives analysis, you don't
20 think that makes sense?

21 A I don't think that makes sense.

22 But that's also the tradeoff that --

23 THE COURT: That would be cutting off your nose to
24 spite your face. You know that expression?

25 THE WITNESS: I do. My wife says that to me all

1 the time.

2 THE COURT: Well, there you go. She's a smart
3 lady.

4 THE WITNESS: Yes, she is.

5 BY MR. COWIE:

6 Q Dr. Wu, do you have an understanding of when this
7 CVS/Caremark contract with WellCare expires?

8 A The contract expires in 2020.

9 Oh, wait, say that again. Which one, which
10 contract?

11 Q Is your understanding that the CVS/Caremark
12 WellCare contract expires at the end of calendar year 2020?

13 A Yes, at the end of calendar year 2020.

14 THE COURT: The PBM contract.

15 BY MR. COWIE:

16 Q Right.

17 So the WellCare PBM contract with CVS/Caremark
18 runs through 2020, correct?

19 A Yes.

20 Q So WellCare has pricing locked in for 2019,
21 correct?

22 A Yes.

23 Q And 2020?

24 A Yes.

25 Q And it has service levels or performance

1 commitments locked in through 2020?

2 A Yes.

3 Q Dr. Wu, I'd like to discuss WellCare's options for
4 after 2020.

5 Your Honor, tab 5 refers to some recent actions by
6 WellCare.

7 Dr. Wu, what do you see as WellCare's options as a
8 customer, as a PBM customer, for 2021 and later?

9 A WellCare has already announced that it is going to
10 put that PBM contract up for bid through an RFP, or request
11 for a proposal. So that's the announced plan.

12 And --

13 THE COURT: How much time does that usually take?
14 Is that about a year lag time? Ten months? To do the
15 negotiation, to get the bids and get the negotiations done?

16 THE WITNESS: I -- let's see. From what I recall
17 from analyses I've done in the past, I think it can vary.
18 But I might guess a year on average, but that --

19 THE COURT: So if it's the end of 2020, probably
20 sometime at the end of this year, they'll put it out to bid,
21 so to speak?

22 THE WITNESS: Well, that would make sense, yeah.
23 So they've already announced that they would do
24 that.

25 And the nature of that can vary, because the

1 options are obviously sending the RFP to other PBMs.

2 They also could negotiate over what services are
3 being done in-house and what they outsource.

4 So if we go back to one of the earlier charts
5 where we look at the PBM businesses and how they're
6 allocated between WellCare and CVS, they could change that
7 mix, too.

8 And I think that's part of what WellCare can do
9 since they also have PBM capabilities.

10 And that's what is shown in this tab 5.

11 BY MR. COWIE:

12 Q Are you referring to WellCare spending 2.5 billion
13 to buy a PBM in 2018?

14 A Yes, that's right.

15 Q And, Dr. Wu, this has an image of a WellCare SEC
16 filing.

17 Do you see that?

18 A I do.

19 Q Yes.

20 Do you see they're actually telling the investing
21 public they've added PBM capability?

22 A Yes, that's right.

23 Q And we have two quotes from WellCare earnings
24 calls.

25 Do you understand those are conference calls where

1 WellCare management is essentially speaking to Wall Street
2 to explain its business?

3 A I do.

4 Q And WellCare management told Wall Street, they
5 told Wall Street there are many, many large PBMs that would
6 covet the WellCare business.

7 Do you see that?

8 A Yes, that is right.

9 So that goes back to WellCare having the option of
10 sending their RFP to a number of competing PBMs.

11 Q From an economic perspective, how would an
12 incumbent like CVS/Caremark that has the business today
13 through 2020, how would an incumbent view this?

14 A Well, an incumbent would view this as a threat.

15 And when I've looked at the won and lost account
16 business, there are losses that show up. So this is a big
17 deal.

18 And if one were to learn from history, this is
19 exactly what Medco was facing in 2012. It had United
20 Healthcare as a customer. United dropped Medco to use
21 OptumRx, which was its in-house PBM.

22 And Anthem -- the exact thing Anthem just said in
23 this -- earlier this year, its using IngenioRx, and it
24 already has cut off Express Scripts.

25 That's what these plans do.

1 THE COURT: Highly competitive.

2 THE WITNESS: Yes.

3 BY MR. COWIE:

4 Q So have you seen any evidence from the critics
5 that WellCare is unable to bring the PBM services in-house
6 or switch to a cost-effective PBM?

7 A I've not seen any concerns there.

8 MR. COWIE: Your Honor, tab 6 contains a table on
9 the elements of a foreclosure analysis, corresponding with
10 precedent of this Court and the D.C. Circuit Court on
11 vertical merger analysis.

12 BY MR. COWIE:

13 Q Dr. Wu, I know we've covered the must-have
14 element. Your view is CVS/Caremark is not a must-have
15 input.

16 Would you describe the other essential elements
17 consistent with the AT&T precedent?

18 A Sure.

19 The second element on this chart talks about
20 long-term customer loss.

21 So assuming that there is some input that, say,
22 AT&T, in that case, it may have been CNN or HBO, if they
23 were to black out, say, that content to Dish or Comcast, the
24 question is, in that case: Would Comcast or Dish have lost
25 subscribers?

1 And it's important because it's the lost
2 subscribers; that that is how a downstream rival could be
3 harmed.

4 So that would be the element here that we want to
5 look at, which is, if a health plan did not have Caremark or
6 CVS PBM, would they lose customers? So that's the second
7 element.

8 Q Have you seen any evidence, real-world evidence or
9 even academic modeling of what the loss rate or blackout
10 rate would be if Caremark left?

11 A I have not.

12 Q What's the next element?

13 A The next element is called the diversion rate.

14 And this refers to where the customers go if
15 they're lost.

16 So in the context of AT&T-Time Warner, if Comcast
17 or Dish were to lose subscribers, what percentage of them
18 would go to AT&T's DirecTV? That would be the diversion to
19 DirecTV.

20 And that element is important because that is how
21 foreclosure becomes a profitable strategy they actually get
22 switching to its own downstream entity.

23 The parallel here would be if, hypothetically, CVS
24 were to put WellCare or another PDP at a disadvantage and,
25 second, that PDP were to lose customers, what percentage of

1 those customers would end up going to SilverScript? That's
2 diversion.

3 Q Have you seen any evidence attempting to model
4 what portion of lost customers would go to SilverScript
5 versus other Part D competitors?

6 A I have not.

7 Q The fourth element is profitability. Judge Leon
8 has asked several questions about that already.

9 Would you just summarize how that applies in this
10 setting based on the *AT&T* precedent?

11 A Yes.

12 So profitability refers to the tradeoff that is
13 inherent in a foreclosure strategy.

14 In the *AT&T-Time Warner* context, if there were a
15 blackout, for example, then AT&T would be losing profits
16 associated with the HBO and CNN business, hoping to
17 recapture it with greater profits on the DirecTV side. One
18 has to weigh that.

19 It applies in this case context for -- because CVS
20 would have to weigh the same thing. If it were to black out
21 its PBM service to a health plan, it would be losing that
22 health plan PBM profit, hoping to gain it, gain profits on
23 the SilverScript side.

24 And that's the conversation that we just had
25 about, which the way I would put it is: Would CVS really

1 put at risk \$36 billion of health plan PBM revenues?

2 Q And, Dr. Wu, the last element here is consumer
3 benefits. I know this Court has done a lot of analysis of
4 the types of efficiencies that typically arise in vertical
5 mergers. Would you summarize that and what's been done here
6 or what's not been done here?

7 A Sure.

8 In vertical mergers, there's always the prospect
9 of cost efficiencies and cost savings. That was addressed
10 in *AT&T-Time Warner*; and we would have to address that here,
11 too, whether it takes the form of eliminating double
12 marginalization or any other cost savings. So --

13 THE COURT: Do you see any efficiencies here?

14 THE WITNESS: You know, I do, because just in
15 general, if it's -- it's a vertical relationship.

16 So a question is whether or not CVS can improve
17 the overall health benefits and pharmacy benefits that it
18 can offer through Aetna.

19 And there are benefits of right now, they do it
20 through contracts. So there may not -- there's not going to
21 be a gain on the negotiation side, but there could be a gain
22 by -- on the output side.

23 THE COURT: You know, the typical indicators --
24 and correct me if I'm wrong, but I believe the typical
25 indicators of whether or not something is in the public

1 interest when it comes to this kind of a merger is whether
2 or not the pharmaceutical drugs are going to be at a lower
3 price, whether they're going to be more readily available,
4 whether they're going to be more easily accessible.

5 Where do you see the evidence here that as a
6 result of this merger, 19 million customers that have been
7 acquired by CVS, that the drugs that those customers and
8 future potential customers are going to be lower? Where's
9 the evidence that they're going to be more readily
10 accessible? More readily available? More easily available?
11 Where do you see that out of the information you've studied?

12 THE WITNESS: Well, if I may, I'll mention two
13 things.

14 You know, one has to do with the -- what the
15 pricing of PBM services to Aetna.

16 So to the extent that there isn't the need to add
17 a markup for CVS PBM because it's now one entity, that's a
18 benefit right there, because you don't have to have that
19 markup.

20 So that's not related to negotiations with
21 pharmaceutical plans, but that's just the economics of
22 having a vertically integrated entity. You don't need to
23 have extra markups along your supply chain.

24 The second thing that I would mention -- and this
25 is what I mentioned at the hearing last year before the

1 House Subcommittee.

2 It may not also just be price. It may be
3 expanding access to care.

4 And this is where the MinuteClinics are an
5 important part of the plan also.

6 And, you know, there are too many people who get
7 into the healthcare system through the emergency room.
8 That's the most expensive way to get into the healthcare
9 system.

10 And the MinuteClinics, by providing access,
11 especially in rural areas, I think, really, if they can make
12 great use of that, that's a huge benefit.

13 THE COURT: But that would be a benefit to society
14 in general.

15 I'm talking about a benefit to customers of CVS.

16 THE WITNESS: Well, yes.

17 But to the extent that it's part of the Aetna, the
18 post-merger Aetna health plan. And it encourages that kind
19 of coordination of care --

20 THE COURT: It would trickle down to it.

21 THE WITNESS: That's valuable, yes.

22 THE COURT: Yeah.

23 BY MR. COWIE:

24 Q Just to finish up, Dr. Wu, vertical merger
25 analysis, it is standard for economists to assess

1 elimination of double marginalization, correct?

2 A It is.

3 Q And that kind of analysis was done during the
4 investigation with the Justice Department, correct?

5 A Yes, it was.

6 Q Are the critics assuming zero EDM or elimination
7 of double marginalization?

8 A Yes.

9 Dr. Sood is not or has not discussed the cost
10 savings or the elimination of a double marginalization, but
11 that's the one number you know is not going to be zero.

12 THE COURT: Where do you see it coming from?

13 THE WITNESS: Well, so just the two that I
14 mentioned earlier.

15 One is just eliminating the markups along the
16 supply chain.

17 And then the second I would think about -- it may
18 not be price but it may be non-price.

19 THE COURT: You mean for the Aetna customers?

20 THE WITNESS: For the Aetna customers, yeah.

21 THE COURT: The 19 million?

22 THE WITNESS: Yes.

23 THE COURT: Well, how about Dr. Sood?

24 He did an analysis, and he testified about it
25 yesterday. I'm sure you listened to that, about the HHI

1 index and how this merger, in his judgment, would indicate a
2 greater concentration of power.

3 And his experience has shown over many years that
4 where there's an increase in the HHI, to the extent that
5 that would be present here, there's likely -- higher prices
6 are likely to follow.

7 Did you -- I mean, obviously you heard his
8 testimony on that. What do you make of it all?

9 Or did you do your own HHI analysis?

10 THE WITNESS: Well. So first of all, when it
11 comes to HHI's, that's just a starting point, okay? That's
12 just a starting point for a competitive analysis.

13 THE COURT: Okay.

14 THE WITNESS: So let's just start there.

15 Now, second --

16 THE COURT: Did you disagree with his analysis on
17 the HHI front?

18 THE WITNESS: It's fine for what it's worth.

19 What I will comment, though, is that when he
20 describes -- when he looks at the HHI -- and I'm remembering
21 one of his charts -- the HHIs that he puts forward do not
22 fall in the category of a highly concentrated industry. It
23 might be the moderately concentrated industry, but it's not
24 a highly concentrated industry.

25 And then when he looks at the change in the HHI

1 over a ten-year period, he says that index went up by, like,
2 323 points.

3 Just to the put that into perspective --

4 THE COURT: So you don't find the PBM
5 market/industry to be highly concentrated?

6 THE WITNESS: I don't, given that if we looked at
7 the world in 2012 and Optum was -- and Optum was not in the
8 big three and now it is and we have all the churn that's
9 taking place, I'm not sure looking at the structure tells
10 you much.

11 What we do care about is the churn, because that's
12 the competition.

13 Now, I will -- if I may, I'll just --

14 THE COURT: He isn't in charge. You can ask me.
15 Go ahead.

16 THE WITNESS: If I may continue?

17 THE COURT: You may continue.

18 THE WITNESS: Dr. Sood mentions -- relies on a
19 couple of -- or three academic papers.

20 There are a couple of things that I would point
21 out for your consideration.

22 One is a paper by a professor named Lucarelli.

23 THE COURT: Lucarelli.

24 THE WITNESS: He is doing a simulation and is
25 looking at data from 2006.

1 The authors in that paper recognize that 2006 is a
2 very special year; it's the very first year of the Medicare
3 PDP business.

4 So in that paper, they even say -- which the
5 downside of looking at 2006 data is that there may be
6 serious miscalculations by consumers and sellers.

7 Okay. I appreciate that. It's the very first
8 year of the business. So -- and it was a long time ago,
9 2006. So I don't know that I would rely on that, but
10 I think it's important to consider.

11 The second, he mentions a paper by the CBO, and
12 that's a working paper. That relies on data from 2006 to
13 2010.

14 Look, that's dated also and the PDP marketplace
15 was very different then than it is today.

16 But from an economic methodological perspective,
17 what I will point out is sometimes it pays to read the
18 appendix.

19 And the authors note that there are a number of
20 variables that are missing from the model. And they do
21 write a specification where they include one, and then the
22 result is not significant anymore.

23 So, look, I think there's still a lot to --
24 I mean -- so I -- there's a lot going on there, and that
25 just made me question the applicability of that paper.

1 And there's a third paper he mentioned by some
2 authors at Princeton University.

3 Even if we take the estimates that Dr. Sood
4 mentions about the price increase from a merger, I think you
5 also should know the paper does estimate the cost
6 efficiencies, which more than offset what they label as the
7 price increase.

8 So, look, there are things with those papers, and
9 I appreciate academic research, but there are some -- there
10 are some issues there we should consider.

11 And that data also is from 2006 to 2012, so that's
12 a little bit dated, too.

13 Now, what I will point out is that in the real
14 world, I'll tell you what we do see. Okay.

15 Even if we accept the increase in concentration in
16 the PBM marketplace, as Dr. Sood calculates, I think it's
17 really interesting if we look at the data, there are premium
18 decreases.

19 Look, last year, July 2018, CMS puts out a press
20 release saying premiums are projected for 2019 to be lower
21 than they were before and it's a second straight year of
22 premium decreases. Okay.

23 THE COURT: Who projected that?

24 THE WITNESS: CMS, which is the government agency
25 that runs the Medicare program.

1 BY MR. COWIE:

2 Q Dr. Wu, we're running short on time.

3 Do you conclude that the characteristics of a
4 successful divestiture are present?

5 A Yes, I do.

6 Q Do you conclude that the PBM industry is intensely
7 competitive?

8 A I do.

9 Q Do you conclude that WellCare has PBM options
10 going forward?

11 A I do.

12 Q Do you conclude that the elements of a vertical
13 foreclosure analysis as recognized by this Court are absent?

14 A Yes.

15 Q And do you conclude that the critics' foreclosure
16 claims should be rejected as factually baseless and
17 economically unsound?

18 A I do.

19 MR. COWIE: Do you have any questions, Your Honor?

20 THE COURT: No.

21 It's lunchtime.

22 You're excused.

23 THE WITNESS: Thank you, Your Honor.

24 THE COURT: Thank you, Doctor.

25 All right. We'll reconvene at 2:45, and we'll

1 hear your next -- who's your next witness?

2 MR. COWIE: Dr. Lotvin.

3 THE COURT: Dr. Lotvin, all right.

4 And I think both of your afternoon witnesses are
5 projected to be one hour each.

6 MR. COWIE: Correct.

7 THE COURT: So we should be able to comfortably
8 finish them before the day ends, all right?

9 Very good.

10 We'll stand in recess till 2:45.

11 DEPUTY CLERK: All rise.

12 (Proceedings concluded at 1:04 p.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

I, William P. Zaremba, RMR, CRR, certify that
the foregoing is a correct transcript from the record of
proceedings in the above-titled matter.

Date: June 5, 2019_____ /S/____William P. Zaremba_____

William P. Zaremba, RMR, CRR

<p>BY MR. COWIE: [42] 200/22 204/3 205/22 207/1 209/25 210/7 211/10 212/1 219/5 222/13 223/13 224/1 226/5 227/22 228/10 236/1 236/10 237/4 238/3 240/20 245/11 247/2 248/8 248/19 249/7 249/15 255/4 255/9 255/18 257/21 258/8 258/15 259/9 261/2 261/8 262/4 262/14 264/10 266/2 266/11 271/22 276/25 DEPUTY CLERK: [5] 198/1 200/15 245/7 245/9 278/10 MR. ALLEN: [1] 199/24 MR. ALVARADO: [1] 198/22 MR. BALTO: [1] 200/2 MR. CASEY: [1] 200/6 MR. COWIE: [17] 199/11 200/14 203/16 209/10 209/20 209/23 210/5 228/8 236/16 248/18 249/5 249/13 259/8 266/7 277/18 278/1 278/5 MR. FITZGERALD: [1] 198/14 MR. HABASH: [1] 199/14 MR. McGINLEY: [1] 199/17 MR. MUCCHETTI: [1] 198/18 MR. OWEN: [1] 198/11 MR. PITT: [2] 199/8 200/12 MR. QUILLEN: [1] 199/20 MS. BRADY: [1] 198/25 MS. LEE: [1] 199/4 THE COURT: [210] THE WITNESS: [169]</p>	<p>0 01 [1] 194/3 03801 [1] 195/4 1 10 percent [2] 217/20 217/23 100 [3] 223/9 254/3 261/11 1000 [1] 195/21 1050 [1] 194/3 107 [1] 256/4 10:45 [1] 193/6 1110 [1] 195/15 11:58 [1] 245/9 12 years [1] 221/4 12-year [4] 219/10 219/12 219/15 220/25 12:20 [1] 245/9 12th [1] 194/12 13th [1] 249/25 14 [1] 203/5 146 [1] 207/24 159 [1] 195/3 1591 [1] 195/5 16 [1] 213/21 1702 [1] 194/9 18-2340 [1] 193/4 1834 [1] 195/17 19 [3] 218/1 270/6 272/21 1900 [1] 194/17 1961 [1] 201/11 1992 [2] 202/4 202/12 1996 [2] 202/4 211/21 1:00 [1] 245/2 1:04 [1] 278/12 2 2.5 billion [1] 264/12 2000 [2] 203/8 203/24 20001 [1] 196/5 20004 [1] 195/22 20005 [2] 194/13 195/16 20006 [1] 194/17 2006 [8] 210/16 211/23 274/25 275/1 275/5 275/9 275/12 276/11 2010 [1] 275/13 2011 [6] 205/9 218/20 219/8 228/16 228/21 228/24 2012 [12] 205/9 210/16 211/23 224/16 224/16 225/25 226/8 227/15 227/21 265/19 274/7 276/11 2015 [2] 228/18 251/11 2016 [2] 253/18 253/23 2017 [2] 210/14 211/22 2018 [2] 264/13 276/19 2019 [5] 193/5 227/21 262/20 276/20 279/7 202 [8] 193/17 193/24 194/13 194/18 195/13 195/17 195/22 196/6 2020 [9] 262/8 262/12</p>	<p>262/13 262/18 262/23 263/1 263/4 263/19 265/13 2021 [1] 263/8 2022 [1] 219/11 20530 [2] 193/16 193/24 20815 [1] 195/12 21 [5] 217/25 219/23 220/10 221/8 234/23 213 [1] 194/10 22 [1] 218/22 2340 [2] 193/4 198/8 261-3481 [1] 194/18 2663 [1] 194/10 269-2663 [1] 194/10 29 [1] 216/12 2987 [1] 193/17 2:45 [2] 277/25 278/10 2C [1] 195/4 3 30 [2] 216/12 223/8 30,000 [1] 231/2 300 [1] 194/8 312 [1] 195/8 323 [1] 274/2 32399-1050 [1] 194/3 3249 [1] 196/6 330 [1] 195/7 3300 [1] 194/4 333 [1] 196/4 34 [1] 213/20 3481 [1] 194/18 353-4211 [1] 193/24 354-3249 [1] 196/6 36 [3] 260/20 261/4 261/14 4 40 [2] 242/23 242/25 4100 [1] 193/23 414-3300 [1] 194/4 4211 [1] 193/24 4271 [1] 195/8 434-5341 [1] 194/13 450 [2] 193/15 193/23 464-4271 [1] 195/8 5 50 [3] 210/17 210/18 254/3 50,000 [3] 230/21 231/20 232/19 505 [1] 195/21 520 [1] 201/22 5341 [1] 194/13 5424 [1] 195/13 577-5424 [1] 195/13 589-1834 [1] 195/17 598-2987 [1] 193/17 5th [2] 193/15 193/23 6 603-294-1591 [1] 195/5 60611 [1] 195/8 65-year-old [1] 252/15 6511 [1] 196/5</p>	<p>7 70 [3] 216/16 216/18 232/20 70,000 [3] 217/19 230/18 231/11 715 [1] 195/16 725 [1] 194/12 776-7824 [1] 195/22 7824 [1] 195/22 7900 [2] 217/17 234/25 8 8030 [1] 195/12 850 [1] 194/4 8700 [1] 193/16 9 90013 [1] 194/9 95 [1] 254/5 95 percent [1] 255/22 A A Florida [1] 236/9 a.m [2] 193/6 245/9 AARP [1] 255/3 abarlow [1] 195/17 able [3] 208/19 217/9 278/7 about [48] 201/10 203/9 203/15 209/6 209/15 212/9 212/10 213/25 214/15 214/23 214/24 214/25 215/2 215/2 220/5 221/18 224/18 225/11 227/12 229/8 233/5 236/22 236/23 238/20 238/21 239/16 239/25 242/16 245/1 246/17 252/12 254/21 255/18 257/13 257/17 258/23 260/10 263/14 266/19 268/8 268/25 271/15 272/17 272/23 272/24 272/25 274/11 276/4 above [1] 279/4 above-titled [1] 279/4 absent [1] 277/13 academic [5] 200/25 204/23 267/9 274/19 276/9 accept [2] 232/23 276/15 access [2] 271/3 271/10 accessible [2] 270/4 270/10 accidentally [1] 241/9 account [1] 265/15 accounts [1] 222/21 acquire [3] 205/10 217/25 257/15 acquired [5] 253/19 256/17 256/25 257/15 270/7 acquisition [2] 253/18 254/7 acquisitions [3]</p>	<p>202/14 256/11 256/14 Action [3] 195/10 198/7 200/4 actions [1] 263/5 activities [2] 239/7 239/9 actual [4] 228/13 229/2 240/16 257/24 actually [9] 218/24 230/25 231/2 237/24 240/15 248/8 251/7 264/20 267/21 add [1] 270/16 added [2] 220/11 264/21 additional [3] 218/12 218/14 220/10 address [2] 206/25 269/10 addressed [1] 269/9 addressing [3] 206/16 249/15 250/7 adjunct [1] 205/1 administration [1] 243/12 administrative [1] 203/4 admitted [2] 220/17 236/18 adult [1] 254/22 Advanced [1] 227/4 Advanced Rx [1] 227/4 advantage [5] 215/13 234/4 234/18 254/11 260/12 advise [3] 201/13 201/15 201/17 Aetna [84] 205/17 206/15 207/8 207/15 213/11 215/16 218/1 218/18 218/19 219/4 219/16 219/16 221/8 228/15 228/20 234/23 235/24 238/8 238/12 238/15 238/21 238/24 239/6 239/14 239/20 240/9 240/12 240/14 241/6 241/7 241/14 242/10 244/1 244/2 244/3 244/4 244/8 244/9 244/11 244/20 244/21 245/13 245/23 246/1 246/3 246/8 246/9 246/18 246/25 247/1 247/4 247/13 248/10 248/11 248/14 248/17 248/21 249/2 249/9 250/7 250/16 250/18 250/24 251/7 252/4 252/11 252/13 252/17 254/12 254/15 254/20 254/21 255/1 255/2 255/6 256/13 257/4 260/22 269/18 270/15 271/17 271/18 272/19 272/20 Aetna's [7] 243/19 243/21 243/24 246/20</p>
<p>\$ \$3 [1] 258/24 \$36 [3] 241/14 260/25 269/1 \$36 billion [1] 241/14 \$40 [1] 256/19 \$50 [2] 256/12 256/15 ' '12 [1] 211/24 '6 [1] 211/24 '92 [1] 211/19 '96 [2] 211/8 211/19 / /S [1] 279/7</p>				

<p>A</p> <p>Aetna's... [3] 248/7 252/6 255/6</p> <p>after [2] 221/10 263/4</p> <p>afternoon [1] 278/4</p> <p>again [7] 226/16 227/6 233/21 238/5 245/11 260/3 262/9</p> <p>against [1] 204/13</p> <p>agencies [2] 201/25 210/9</p> <p>agency [1] 276/24</p> <p>ago [1] 275/8</p> <p>agree [4] 236/5 236/12 236/21 254/10</p> <p>agreement [2] 228/16 244/20</p> <p>ahead [3] 206/9 255/15 274/15</p> <p>AHF [3] 224/4 224/6 224/10</p> <p>AHF's [1] 224/9</p> <p>aided [1] 196/7</p> <p>AIDS [2] 195/19 200/8</p> <p>air [1] 201/17</p> <p>airport [1] 201/18</p> <p>al [4] 193/3 193/6 198/8 198/9</p> <p>all [32] 198/2 200/11 203/18 204/18 206/8 207/6 208/1 210/15 212/23 213/2 214/17 222/8 223/4 224/20 230/17 245/8 245/10 246/22 248/1 252/6 252/25 256/8 256/22 256/23 261/25 273/8 273/10 274/8 277/25 278/3 278/8 278/11</p> <p>all right [4] 206/8 277/25 278/3 278/8</p> <p>Allen [2] 195/6 199/25</p> <p>allocated [1] 264/6</p> <p>allowed [1] 227/20</p> <p>allows [1] 232/14</p> <p>almost [3] 208/1 214/14 222/8</p> <p>alone [1] 236/15</p> <p>along [8] 222/25 241/8 242/19 244/5 246/16 256/21 270/23 272/15</p> <p>already [9] 211/5 218/18 218/22 236/18 257/12 263/9 263/23 265/24 268/8</p> <p>also [22] 198/16 202/15 207/19 211/1 213/23 230/7 230/19 233/8 233/8 233/14 244/5 244/15 250/22 251/24 261/22 264/2 264/9 271/2 271/5 275/14 276/5 276/11</p> <p>alvarado [3] 193/14 193/19 198/24</p> <p>alvarado-rivera [2] 193/14 193/19</p> <p>always [2] 209/7 269/8</p>	<p>am [5] 201/2 201/7 201/23 216/19 218/4</p> <p>ama [1] 195/9</p> <p>ama-assn.org [1] 195/9</p> <p>amended [1] 228/21</p> <p>amendments [2] 228/16 229/2</p> <p>AMERICA [3] 193/3 198/8 217/19</p> <p>American [5] 195/2 195/7 199/22 200/1 204/21</p> <p>Amicus [3] 195/2 195/10 195/19</p> <p>among [1] 201/23</p> <p>analogy [3] 214/14 214/23 242/5</p> <p>analyses [1] 263/17</p> <p>analysis [20] 223/15 235/9 253/4 253/11 256/6 256/7 256/9 258/18 259/16 261/19 266/9 266/11 269/3 271/25 272/3 272/24 273/9 273/12 273/16 277/13</p> <p>analyst [1] 204/22</p> <p>analyze [3] 202/5 202/15 222/16</p> <p>analyzed [1] 207/7</p> <p>Andre [1] 195/14</p> <p>Angeles [1] 194/9</p> <p>announced [5] 226/14 227/4 263/9 263/11 263/23</p> <p>another [10] 209/21 214/9 221/15 224/10 227/3 230/22 231/9 231/25 234/18 267/24</p> <p>answer [1] 213/14</p> <p>Anthem [4] 226/11 227/15 265/22 265/22</p> <p>anti [2] 215/4 259/19</p> <p>anti-competitive [2] 215/4 259/19</p> <p>antitrust [11] 193/15 193/21 198/16 198/20 201/24 205/16 209/6 210/2 210/9 213/5 256/7</p> <p>any [22] 206/1 218/12 226/7 226/8 232/14 241/9 249/9 250/23 251/2 251/16 251/20 252/3 252/4 255/25 256/1 266/4 266/7 267/8 268/3 269/12 269/13 277/19</p> <p>anymore [1] 275/22</p> <p>anything [3] 209/19 235/25 251/19</p> <p>apparently [1] 227/9</p> <p>APPEARANCES [4] 193/12 194/1 195/1 196/1</p> <p>appeared [3] 203/12 203/14 206/1</p>	<p>appendix [1] 275/18</p> <p>applicability [1] 275/25</p> <p>applies [3] 214/20 268/9 268/19</p> <p>appreciate [2] 275/7 276/9</p> <p>approach [1] 209/24</p> <p>approaches [1] 246/9</p> <p>approved [2] 212/20 257/16</p> <p>are [87] 200/12 200/13 201/22 207/24 208/9 208/16 208/17 208/18 208/21 208/25 212/23 214/7 214/12 215/3 218/1 218/2 218/22 219/3 220/25 221/3 222/19 223/18 223/20 223/23 226/14 227/12 227/13 228/13 228/14 229/6 229/7 229/10 229/10 229/11 229/17 229/21 229/24 230/6 230/15 231/4 231/14 231/14 233/2 233/6 233/18 233/18 237/16 238/7 238/18 238/23 240/25 241/1 241/5 242/8 243/22 244/14 247/22 247/23 248/5 255/11 255/14 256/20 257/2 264/1 264/2 264/12 264/25 265/5 265/16 269/19 270/2 270/8 271/4 271/6 272/6 273/6 274/20 275/19 275/20 276/8 276/9 276/10 276/17 276/20 277/4 277/13 278/4</p> <p>area [3] 201/12 201/24 204/24</p> <p>areas [2] 213/21 271/11</p> <p>arise [1] 269/4</p> <p>around [3] 216/18 258/24 258/25</p> <p>arrange [1] 230/10</p> <p>arranged [1] 240/16</p> <p>arrangement [3] 238/10 238/11 251/10</p> <p>as [70] 200/21 202/7 202/21 203/1 204/9 204/22 204/23 207/17 208/14 208/15 208/20 208/20 208/24 213/1 213/8 213/24 214/1 214/24 219/1 219/1 221/12 221/24 225/24 231/10 231/21 233/9 233/17 234/22 235/13 238/12 238/12 238/14 238/14 238/15 239/21 241/20 241/25 242/1 242/10 244/21 245/17 245/20 245/23 246/1 247/22 250/8 250/19 251/6 252/10 252/23</p>	<p>253/15 254/6 255/2 255/2 255/6 255/6 255/7 256/3 257/8 257/20 263/7 263/7 263/8 265/14 265/20 270/5 276/6 276/16 277/13 277/16</p> <p>ask [2] 236/10 274/14</p> <p>asked [4] 205/15 255/17 258/17 268/8</p> <p>asking [1] 231/7</p> <p>aspect [2] 212/16 253/10</p> <p>aspects [1] 259/18</p> <p>assembling [2] 242/9 242/18</p> <p>assess [2] 206/12 271/25</p> <p>assessed [1] 248/14</p> <p>asset [3] 212/10 212/16 212/22</p> <p>assets [12] 211/1 212/12 212/13 215/12 215/14 252/6 252/7 256/13 256/21 256/25 257/2 257/3</p> <p>assignment [5] 206/3 206/4 206/10 206/16 206/24</p> <p>assignments [2] 207/3 207/6</p> <p>assistance [1] 219/14</p> <p>Assn [1] 195/2</p> <p>assn.org [1] 195/9</p> <p>associated [1] 268/16</p> <p>association [5] 195/7 199/23 200/1 204/13 204/22</p> <p>assume [1] 252/20</p> <p>assuming [2] 266/21 272/6</p> <p>attempting [2] 250/4 268/3</p> <p>ATTORNEY [2] 194/2 194/8</p> <p>attorneys [1] 202/8</p> <p>attractive [2] 234/20 234/21</p> <p>authors [3] 275/1 275/19 276/2</p> <p>available [6] 207/10 209/13 258/13 270/3 270/10 270/10</p> <p>Avenue [2] 195/15 196/4</p> <p>average [2] 254/5 263/18</p> <p>away [1] 227/20</p> <p>B</p> <p>B.A [1] 201/3</p> <p>back [8] 211/12 227/12 241/11 245/1 246/6 251/11 264/4 265/9</p> <p>background [2] 200/25 204/23</p> <p>balance [1] 212/22</p> <p>Balto [3] 195/11</p>	<p>195/11 200/3</p> <p>bargaining [2] 220/4 221/11</p> <p>Barlow [2] 195/14 195/15</p> <p>base [1] 256/9</p> <p>based [6] 207/11 228/2 228/4 228/6 256/9 268/10</p> <p>baseless [1] 277/16</p> <p>basically [3] 240/5 252/7 256/12</p> <p>basis [1] 258/23</p> <p>be [86] 198/5 202/21 203/9 203/20 204/16 208/8 208/19 208/20 211/16 212/13 212/15 212/19 212/25 214/16 214/17 214/19 217/9 217/14 220/1 220/1 220/17 220/18 221/10 223/22 229/14 231/17 232/15 233/10 233/14 233/15 233/18 234/1 234/22 235/1 239/16 239/20 239/24 240/7 240/9 242/2 242/13 242/21 243/15 243/16 245/11 246/23 253/1 253/2 255/2 255/13 257/1 257/8 258/13 258/14 259/19 260/11 260/24 261/23 267/2 267/4 267/10 267/18 267/23 268/15 268/21 269/21 269/21 270/2 270/3 270/4 270/8 270/9 271/2 271/2 271/13 272/11 272/18 272/18 273/5 273/23 274/5 275/5 276/20 277/16 278/5 278/7</p> <p>bearing [1] 258/18</p> <p>because [35] 209/5 215/13 215/18 215/18 218/17 218/25 230/6 231/18 232/22 232/24 235/2 235/4 238/11 238/13 241/11 241/22 241/25 246/20 247/21 253/5 254/6 254/13 259/17 260/5 260/14 260/16 261/14 263/25 267/1 267/20 268/19 269/14 270/17 270/18 274/11</p> <p>become [2] 248/15 248/21</p> <p>becomes [1] 267/21</p> <p>been [22] 200/20 201/8 201/9 201/15 206/6 214/7 215/11 218/18 218/19 226/7 226/8 226/9 227/16 236/24 240/20 244/24 251/13 257/16 266/22 269/5 269/6 270/6</p> <p>before [21] 193/10</p>
---	---	--	---	---

<p>B</p> <p>before... [20] 198/7 202/2 203/2 203/6 203/12 203/14 203/23 204/1 204/24 205/16 205/25 206/2 220/15 221/9 235/21 236/19 254/17 270/25 276/21 278/8</p> <p>begins [1] 228/21</p> <p>behalf [7] 195/2 195/10 195/19 199/6 200/4 200/8 202/24</p> <p>behind [1] 257/12</p> <p>being [15] 205/15 207/18 212/10 212/14 212/17 220/19 220/24 231/18 241/8 249/22 249/22 252/4 257/8 259/12 264/3</p> <p>believe [7] 224/15 231/14 235/10 246/25 255/2 256/19 269/24</p> <p>believes [1] 234/4</p> <p>benefit [15] 205/7 205/11 232/25 233/19 234/13 237/8 237/9 250/24 251/4 251/18 261/16 270/18 271/12 271/13 271/15</p> <p>benefits [12] 230/4 237/16 237/25 244/6 246/10 246/11 246/12 246/15 269/3 269/17 269/17 269/19</p> <p>best [2] 230/1 253/16</p> <p>better [2] 238/13 246/4</p> <p>between [4] 207/15 228/18 229/20 264/6</p> <p>beyond [1] 229/1</p> <p>bid [5] 222/23 222/25 223/3 263/10 263/20</p> <p>bidding [6] 222/16 223/7 223/15 228/2 228/4 245/19</p> <p>bids [3] 223/2 223/4 263/15</p> <p>big [10] 222/9 222/10 225/10 225/12 225/20 226/12 239/5 242/25 265/16 274/8</p> <p>big-three [1] 225/20</p> <p>bigger [2] 260/8 260/18</p> <p>biggest [1] 254/22</p> <p>Bill [1] 202/12</p> <p>billion [10] 241/14 258/24 259/7 260/20 260/25 261/4 261/12 261/14 264/12 269/1</p> <p>bit [4] 201/10 217/22 218/6 276/12</p> <p>black [2] 266/23 268/20</p> <p>blacked [2] 259/23 259/24</p> <p>blacked-out [2] 259/23 259/24</p>	<p>blackout [3] 260/1 267/9 268/15</p> <p>Blue [2] 226/12 226/12</p> <p>boil [2] 239/2 239/6</p> <p>both [4] 212/11 241/1 241/6 278/4</p> <p>bottom [2] 234/8 240/22</p> <p>bottom-line [1] 234/8</p> <p>bought [2] 252/24 253/18</p> <p>boxes [1] 240/13</p> <p>Brady [2] 194/2 199/2</p> <p>brand [3] 254/15 254/18 255/4</p> <p>branded [5] 233/24 250/11 255/2 255/2 255/6</p> <p>branding [1] 254/11</p> <p>brands [2] 254/22 255/12</p> <p>break [2] 244/23 244/25</p> <p>briefly [1] 203/1</p> <p>bring [1] 266/5</p> <p>broad [6] 208/9 212/9 231/4 233/3 233/23 234/1</p> <p>broadly [2] 203/23 260/3</p> <p>brought [2] 204/13 204/17</p> <p>Bureau [1] 202/24</p> <p>Bureau of Economics [1] 202/24</p> <p>business [47] 201/4 212/14 212/15 219/23 220/1 221/13 221/20 222/1 231/9 231/25 232/4 234/3 241/12 241/13 241/14 241/15 241/18 241/21 241/23 241/24 242/24 242/25 245/14 250/11 250/25 251/4 252/24 255/21 257/4 258/20 258/25 260/8 260/9 260/12 260/16 261/1 261/2 261/8 261/11 261/16 265/2 265/6 265/12 265/16 268/16 275/3 275/8</p> <p>businesses [1] 264/5</p> <p>buy [2] 227/7 264/13</p> <p>buyer [6] 210/25 212/10 212/19 212/20 238/12 238/14</p> <p>buyer's [1] 212/18</p> <p>buying [1] 208/12</p> <p>C</p> <p>CA [1] 194/9</p> <p>cable [1] 221/25</p> <p>calculates [1] 276/16</p> <p>calendar [2] 262/12 262/13</p> <p>California [6] 194/6 194/7 199/6 222/11</p>	<p>222/12 236/8</p> <p>call [5] 200/14 200/15 239/21 240/4 250/12</p> <p>called [14] 210/24 223/19 225/20 226/15 226/18 227/4 227/5 231/13 233/14 253/19 253/20 256/18 256/18 267/13</p> <p>calling [3] 215/21 216/7 240/20</p> <p>calls [2] 264/24 264/25</p> <p>can [31] 201/10 208/20 209/18 215/19 219/17 221/7 221/8 221/20 229/22 230/17 231/22 232/9 232/19 232/24 233/2 233/3 233/22 233/24 237/11 245/7 250/12 252/12 252/16 253/17 263/17 263/25 264/8 269/16 269/18 271/11 274/14</p> <p>capabilities [1] 264/9</p> <p>capability [1] 264/21</p> <p>capital [1] 226/19</p> <p>Capitol [1] 194/3</p> <p>capture [1] 250/4</p> <p>card [2] 246/23 246/24</p> <p>care [4] 259/1 271/3 271/19 274/11</p> <p>CareFirst [1] 256/18</p> <p>careful [2] 242/2 242/13</p> <p>Caremark [55] 214/9 214/10 214/12 215/16 215/19 215/22 215/22 216/2 216/7 217/2 217/16 222/15 222/17 223/16 227/24 228/20 238/7 238/8 240/3 240/6 240/7 240/12 240/15 241/12 241/13 241/15 241/18 241/20 241/25 242/7 243/9 243/9 244/1 244/10 245/17 246/21 247/5 247/10 248/12 250/8 250/24 251/2 251/8 251/10 251/17 260/20 261/7 261/11 262/7 262/11 262/17 265/12 266/14 267/5 267/10</p> <p>Caremark's [6] 214/9 242/16 244/12 259/2 260/12 261/5</p> <p>carved [1] 257/8</p> <p>case [12] 206/3 206/4 206/10 210/16 210/24 236/19 257/3 257/20 260/2 266/22 266/24 268/19</p> <p>Casey [2] 195/19 200/7 203/24</p> <p>catch [1] 218/9</p> <p>category [2] 208/10 273/22</p> <p>CBO [1] 275/11</p> <p>Cellular [1] 236/7</p>	<p>Centene [5] 227/5 227/7 257/11 257/13 257/15</p> <p>certain [1] 208/18</p> <p>Certified [1] 196/3</p> <p>certify [1] 279/2</p> <p>chain [2] 270/23 272/16</p> <p>challenge [3] 204/17 224/20 224/21</p> <p>challenged [1] 203/25</p> <p>change [4] 218/24 251/20 264/6 273/25</p> <p>changes [2] 235/16 235/19</p> <p>changing [1] 221/12</p> <p>characteristics [2] 212/4 277/3</p> <p>characterize [1] 208/14</p> <p>charge [1] 274/14</p> <p>chart [8] 212/4 238/19 238/23 240/22 244/9 249/14 250/4 266/19</p> <p>charts [4] 225/25 226/2 264/4 273/21</p> <p>Chase [1] 195/12</p> <p>chcasey [1] 195/23</p> <p>Chevy [1] 195/12</p> <p>Chicago [2] 195/8 201/5</p> <p>Chief [1] 193/21</p> <p>chips [1] 240/5</p> <p>choice [3] 231/15 234/12 237/24</p> <p>choose [3] 223/1 230/4 233/3</p> <p>Chris [1] 200/7</p> <p>Chris Casey [1] 200/7</p> <p>Christopher [1] 195/19</p> <p>churn [2] 274/8 274/11</p> <p>Circuit [1] 266/10</p> <p>cited [1] 255/25</p> <p>Civil [1] 198/7</p> <p>claims [3] 243/10 243/16 277/16</p> <p>clarify [1] 259/14</p> <p>class [1] 205/4</p> <p>clear [3] 203/9 231/17 254/11</p> <p>cleared [1] 224/16</p> <p>Clerk [1] 209/12</p> <p>clients [1] 223/16</p> <p>Clinton [1] 202/12</p> <p>closing [1] 225/6</p> <p>clouded [1] 203/20</p> <p>CMS [2] 276/19 276/24</p> <p>CNN [4] 215/11 222/1 266/22 268/16</p> <p>co [2] 239/20 239/23</p> <p>co-pay [2] 239/20 239/23</p> <p>colleagues [2] 203/15 203/24</p> <p>collection [1] 218/3</p> <p>COLUMBIA [2] 193/2 198/3</p> <p>combination [5]</p>	<p>206/14 211/3 234/20 234/20 244/9</p> <p>combined [2] 235/1 260/23</p> <p>Comcast [4] 221/25 266/23 266/24 267/16</p> <p>come [6] 198/6 198/10 234/3 245/1 245/11 254/20</p> <p>comes [5] 220/3 220/4 235/17 270/1 273/11</p> <p>comfortably [1] 278/7</p> <p>coming [1] 272/12</p> <p>comment [2] 236/3 273/19</p> <p>comments [9] 207/19 207/22 207/23 207/24 208/2 208/6 208/11 209/3 235/15</p> <p>Commission [3] 202/4 204/16 208/25</p> <p>Commissioners [1] 225/8</p> <p>commitments [1] 263/1</p> <p>common [1] 223/24</p> <p>companies [5] 201/13 218/22 228/7 230/9 231/11</p> <p>companies' [1] 234/8</p> <p>company [11] 207/7 207/8 215/8 220/9 221/25 232/1 237/17 237/20 246/21 254/16 259/20</p> <p>comparable [2] 238/18 254/14</p> <p>compare [2] 238/10 238/16</p> <p>comparing [1] 238/7</p> <p>compete [6] 208/21 213/9 223/10 231/25 246/9 256/25</p> <p>competed [3] 249/2 249/10 250/15</p> <p>competes [1] 250/13</p> <p>competing [7] 208/4 243/18 243/19 243/21 244/1 245/24 265/10</p> <p>competition [13] 201/16 206/25 209/5 209/6 209/7 210/5 224/18 224/22 225/2 231/8 234/2 234/18 274/12</p> <p>competitive [16] 202/8 202/19 202/23 206/13 207/14 207/18 213/5 213/17 214/1 215/4 234/17 241/8 259/19 266/1 273/12 277/7</p> <p>competitor [11] 208/16 245/17 245/20 246/1 246/3 248/15 248/22 250/9 250/11 250/20 251/13</p> <p>competitors [15] 208/2 208/3 208/6 208/16</p>
--	---	--	---	---

<p>C</p> <p>competitors... [11] 208/17 208/23 209/2 209/4 209/7 223/18 226/1 249/5 249/6 252/21 268/5</p> <p>complaint [1] 204/13</p> <p>complaints [1] 208/23</p> <p>complete [1] 212/15</p> <p>complicated [1] 247/20</p> <p>computer [1] 196/7</p> <p>computer-aided [1] 196/7</p> <p>concentrated [4] 273/22 273/23 273/24 274/5</p> <p>concentration [2] 273/2 276/15</p> <p>concern [10] 213/22 214/1 225/9 225/11 225/15 225/17 225/18 239/21 250/7 252/22</p> <p>concerned [2] 213/18 257/8</p> <p>concerning [1] 209/9</p> <p>concerns [8] 202/20 202/23 206/13 206/17 207/14 207/16 224/24 266/7</p> <p>conclude [6] 224/18 277/3 277/6 277/9 277/12 277/15</p> <p>concluded [4] 213/17 224/22 227/24 278/12</p> <p>conclusion [3] 207/13 224/25 253/17</p> <p>conclusions [1] 207/11</p> <p>conference [1] 264/25</p> <p>confidence [1] 212/24</p> <p>confidential [3] 235/11 258/7 259/12</p> <p>confusing [1] 242/14</p> <p>Congress [2] 205/12 205/25</p> <p>CONNOLLY [2] 194/12 199/10</p> <p>consider [2] 275/10 276/10</p> <p>consideration [1] 274/21</p> <p>considering [1] 259/20</p> <p>consistent [1] 266/17</p> <p>consolidation [1] 205/17</p> <p>Constitution [1] 196/4</p> <p>construct [1] 230/19</p> <p>constructing [2] 233/14 233/15</p> <p>consultants [1] 237/14</p> <p>consulting [6] 201/7 201/12 205/6 205/24 206/1 207/6</p> <p>consumer [4] 193/22 195/10 200/4 269/2</p> <p>Consumer Action [1] 200/4</p>	<p>consumers [1] 275/6</p> <p>contains [3] 228/9 249/14 266/8</p> <p>content [1] 266/23</p> <p>contention [1] 257/23</p> <p>context [6] 210/4 215/10 256/10 267/16 268/14 268/19</p> <p>continue [2] 274/16 274/17</p> <p>CONTINUED [3] 194/1 195/1 196/1</p> <p>contract [36] 219/1 219/2 219/5 219/5 219/7 219/11 219/12 219/15 219/25 220/18 220/23 221/21 222/23 228/14 228/18 228/21 231/18 234/5 238/7 238/8 239/5 239/11 240/25 246/16 259/2 259/2 259/5 259/6 260/5 262/7 262/8 262/10 262/12 262/14 262/17 263/10</p> <p>contracting [2] 243/14 247/8</p> <p>contracts [14] 220/25 221/3 224/1 228/10 228/13 228/14 229/2 229/4 229/5 237/9 237/9 238/17 241/1 269/20</p> <p>control [1] 201/18</p> <p>controls [2] 216/11 216/16</p> <p>conversation [1] 268/24</p> <p>coordination [1] 271/19</p> <p>core [1] 238/23</p> <p>CORPORATION [2] 193/6 198/9</p> <p>correct [31] 203/16 203/17 204/7 211/13 216/16 229/2 229/12 249/3 250/2 250/16 250/20 251/8 251/11 251/14 255/13 255/24 256/1 256/2 258/13 259/8 261/5 261/10 261/12 261/16 262/18 262/21 269/24 272/1 272/4 278/6 279/3</p> <p>corresponding [1] 266/9</p> <p>corresponds [1] 212/11</p> <p>cost [8] 232/18 232/25 266/6 269/9 269/9 269/12 272/9 276/5</p> <p>cost-effective [2] 232/18 266/6</p> <p>could [11] 208/8 215/12 221/25 221/25 230/15 230/16 243/15 264/2 264/6 267/2 269/21</p>	<p>counsel [4] 198/10 200/11 206/6 206/8</p> <p>count [1] 237/11</p> <p>country [5] 213/21 226/12 230/18 232/15 237/16</p> <p>couple [8] 204/11 210/13 214/7 219/4 226/10 249/19 274/19 274/20</p> <p>course [8] 207/9 213/8 216/2 221/24 224/24 252/14 252/19 255/21</p> <p>court [19] 193/1 196/2 196/3 198/3 198/5 198/7 203/6 203/10 203/13 203/16 203/23 204/6 235/12 244/23 245/10 266/10 266/10 269/3 277/13</p> <p>Court's [1] 249/24</p> <p>Courthouse [1] 196/4</p> <p>courtroom [1] 214/8</p> <p>coverage [1] 229/23</p> <p>covered [5] 229/10 233/6 233/10 233/18 266/13</p> <p>covet [1] 265/6</p> <p>Cowie [2] 194/15 199/13</p> <p>create [1] 230/12</p> <p>created [1] 202/13</p> <p>creating [2] 230/7 244/21</p> <p>critic's [1] 249/18</p> <p>critics [4] 207/20 251/16 266/4 272/6</p> <p>critics' [1] 277/15</p> <p>CROSS [2] 197/4 226/12</p> <p>Cross/Blue [1] 226/12</p> <p>CRR [2] 279/2 279/8</p> <p>current [1] 201/6</p> <p>customer [17] 229/15 229/24 237/6 239/7 239/8 239/12 239/14 240/20 241/20 242/10 246/3 246/4 247/21 263/8 263/8 265/20 266/20</p> <p>customer-facing [3] 239/7 239/8 240/20</p> <p>customers [32] 208/14 217/25 218/4 220/10 221/18 229/11 229/17 229/21 234/23 246/20 248/7 249/21 252/18 252/19 252/25 253/1 257/6 257/7 260/1 260/13 260/13 267/6 267/14 267/25 268/1 268/4 270/6 270/7 270/8 271/15 272/19 272/20</p> <p>cut [2] 226/25 265/24</p> <p>cutting [1] 261/23</p> <p>CV [1] 193/4</p> <p>CVS [152]</p>	<p>CVS Health [6] 198/9 199/10 199/13 199/16 199/19 258/19</p> <p>CVS PBM [1] 228/19</p> <p>CVS's [4] 216/9 216/10 241/23 246/5</p> <p>CVS-Aetna [3] 205/17 244/20 250/7</p> <p>CVS/Caremark [23] 215/22 217/16 222/15 222/17 223/16 227/24 228/20 238/7 238/8 240/3 243/9 245/17 247/5 247/10 248/12 251/2 261/7 261/11 262/7 262/11 262/17 265/12 266/14</p> <p>CVS/Caremark's [5] 242/16 244/12 259/2 260/12 261/5</p> <p>CVS/Pharmacy [1] 217/17</p> <p>CVS/SilverScript [2] 250/12 251/14</p> <p>D</p> <p>D.C [9] 193/5 193/16 193/24 194/13 194/17 195/16 195/22 196/5 203/16</p> <p>D.C. [1] 266/10</p> <p>D.C. Circuit [1] 266/10</p> <p>data [18] 207/8 211/1 211/3 222/16 223/15 228/3 228/4 245/19 245/20 250/22 251/9 254/4 255/25 274/25 275/5 275/12 276/11 276/17</p> <p>Date [1] 279/7</p> <p>dated [2] 275/14 276/12</p> <p>David [3] 195/11 195/11 200/3</p> <p>David Balto [1] 200/3</p> <p>david.balto [1] 195/13</p> <p>day [2] 193/7 278/8</p> <p>dbmlawgroup.com [1] 195/17</p> <p>deal [2] 205/11 265/17</p> <p>dealing [1] 220/10</p> <p>debate [1] 221/24</p> <p>DECHERT [4] 194/16 199/13 199/16 199/19</p> <p>dechert.com [3] 194/18 194/19 194/19</p> <p>decide [1] 234/13</p> <p>decided [1] 229/20</p> <p>decides [1] 229/9</p> <p>decisions [4] 229/24 230/8 239/15 239/16</p> <p>decreases [2] 276/18 276/22</p> <p>deep [1] 210/16</p> <p>Defendant [3] 194/11 197/5 200/20</p> <p>Defendants [1] 193/7</p> <p>defense [1] 204/6</p>	<p>delivery [1] 240/14</p> <p>demand [2] 234/8 234/11</p> <p>demonstratives [3] 209/12 209/15 209/17</p> <p>DEPARTMENT [5] 193/14 193/20 207/9 213/2 272/4</p> <p>depending [1] 232/12</p> <p>Deputy [1] 209/12</p> <p>Deputy Clerk [1] 209/12</p> <p>describe [4] 210/19 214/19 253/17 266/16</p> <p>described [3] 214/8 214/20 250/5</p> <p>describes [2] 250/2 273/20</p> <p>describing [1] 200/24</p> <p>deserves [1] 244/25</p> <p>details [3] 209/9 236/4 236/13</p> <p>develop [1] 243/7</p> <p>developing [1] 235/18</p> <p>did [36] 202/5 202/6 202/13 202/15 202/17 204/21 206/20 206/22 207/4 207/19 208/3 208/11 210/16 210/22 213/25 222/16 224/15 224/18 224/20 224/25 229/3 235/6 235/7 235/8 235/9 235/12 235/14 248/21 248/23 253/18 258/1 267/5 272/24 273/7 273/9 273/16</p> <p>did you [8] 202/5 202/15 206/20 207/19 222/16 273/7 273/9 273/16</p> <p>didn't [3] 217/1 236/19 252/24</p> <p>different [13] 219/20 219/22 220/2 220/22 220/23 222/24 230/10 232/13 233/2 235/22 239/24 252/8 275/15</p> <p>DIRECT [2] 197/4 200/22</p> <p>DirectTV [3] 267/18 267/19 268/17</p> <p>disadvantage [2] 250/9 267/24</p> <p>disagree [2] 253/4 273/16</p> <p>disassociate [2] 216/4 217/1</p> <p>discuss [1] 263/3</p> <p>discussed [1] 272/9</p> <p>Dish [4] 221/25 266/23 266/24 267/17</p> <p>dissent [1] 225/7</p> <p>distinction [2] 217/3 217/5</p> <p>distribution [1] 217/16</p> <p>DISTRICT [7] 193/1 193/2 193/10 198/3</p>
---	--	---	--	--

<p>D</p> <p>DISTRICT... [3] 198/3 203/16 204/6</p> <p>District Court [1] 203/16</p> <p>diversion [3] 267/13 267/18 268/2</p> <p>dives [1] 210/16</p> <p>divested [2] 211/1 212/10</p> <p>divestiture [14] 202/19 206/13 207/13 207/20 207/23 209/10 210/7 211/16 212/5 212/8 212/13 251/22 252/6 277/4</p> <p>divestitures [7] 210/20 210/20 211/12 211/17 211/18 211/22 257/9</p> <p>division [5] 193/15 193/21 198/16 198/20 213/5</p> <p>do [96]</p> <p>do you [10] 208/22 215/21 228/23 253/4 273/8 277/3 277/6 277/9 277/12 277/15</p> <p>do you have [7] 209/13 219/7 219/10 222/6 258/21 262/6 277/19</p> <p>do you see [8] 263/7 264/17 264/20 265/7 269/13 270/5 270/11 272/12</p> <p>Do you understand [1] 264/25</p> <p>do you understand that [1] 237/6</p> <p>doctor [2] 233/25 277/24</p> <p>doctor's [1] 208/19</p> <p>documents [5] 207/7 207/10 245/16 248/24 256/1</p> <p>does [27] 207/15 212/4 214/21 218/11 218/24 220/6 220/6 220/13 227/8 227/10 235/24 238/16 239/6 239/8 244/9 244/10 245/23 246/1 247/11 250/3 251/20 251/21 253/6 254/9 259/1 263/13 276/5</p> <p>doesn't [6] 203/10 219/16 220/11 241/7 256/23 261/18</p> <p>doing [10] 218/22 221/9 227/12 230/6 238/21 244/24 246/21 248/8 256/10 274/24</p> <p>DOJ [5] 207/14 207/22 213/16 215/2 257/16</p> <p>doj.ca.gov [1] 194/10</p> <p>don't [50] 203/20 213/8 216/4 219/16 219/16 221/11 221/16 221/23</p>	<p>222/2 222/5 222/7 222/9 222/13 222/20 228/7 235/2 235/3 235/4 235/16 236/4 236/5 236/12 236/14 236/15 242/13 243/2 244/16 244/17 244/18 244/23 247/10 247/17 254/8 254/13 255/1 256/8 257/13 257/14 257/17 257/19 258/5 258/6 261/18 261/19 261/21 270/18 270/22 274/4 274/6 275/9</p> <p>done [11] 204/11 211/6 256/10 258/2 263/15 263/17 264/3 269/3 269/5 269/6 272/3</p> <p>double [8] 259/3 259/13 259/14 260/6 269/11 272/1 272/7 272/10</p> <p>down [4] 239/2 239/6 245/7 271/20</p> <p>downside [1] 275/5</p> <p>downstream [3] 260/2 267/2 267/22</p> <p>DOYLE [1] 195/15</p> <p>Dr [1] 255/6</p> <p>Dr. [58] 200/24 201/6 202/2 202/15 202/25 204/5 204/18 205/12 205/24 206/3 207/3 207/12 208/3 210/2 210/9 212/4 219/7 222/15 224/3 224/14 227/24 228/12 229/8 236/3 236/12 237/6 238/5 240/22 245/13 247/4 248/14 249/1 249/17 249/24 252/12 252/22 253/10 253/14 254/9 254/10 256/3 258/17 261/4 262/6 263/3 263/7 264/15 266/13 269/2 271/24 272/9 272/23 274/18 276/3 276/16 277/2 278/2 278/3</p> <p>Dr. Lotvin [2] 278/2 278/3</p> <p>Dr. Sood [11] 252/12 252/22 253/14 254/9 254/10 256/3 272/9 272/23 274/18 276/3 276/16</p> <p>Dr. Sood's [1] 253/10</p> <p>Dr. Wu [44] 200/24 201/6 202/2 202/15 202/25 204/5 204/18 205/12 205/24 206/3 207/3 207/12 208/3 210/2 210/9 212/4 219/7 222/15 224/3 224/14 227/24 228/12 229/8 236/3 236/12 237/6 238/5 240/22 245/13 247/4 248/14</p>	<p>249/1 249/17 249/24 258/17 261/4 262/6 263/3 263/7 264/15 266/13 269/2 271/24 277/2</p> <p>Drive [1] 195/12</p> <p>dropped [1] 265/20</p> <p>drug [6] 229/22 233/24 233/24 239/19 240/13 240/16</p> <p>drugs [6] 229/10 233/6 233/10 233/18 270/2 270/7</p> <p>DUANE [2] 195/20 200/8</p> <p>Duane Morris [1] 200/8</p> <p>duanemorris.com [3] 195/23 195/23 195/24</p> <p>due [1] 218/5</p> <p>DULY [1] 200/20</p> <p>during [4] 204/21 211/18 251/7 272/3</p> <p>E</p> <p>each [3] 234/3 240/25 278/5</p> <p>earlier [4] 246/17 264/4 265/23 272/14</p> <p>early [1] 249/1</p> <p>earnings [1] 264/23</p> <p>ears [1] 214/17</p> <p>easily [2] 270/4 270/10</p> <p>economic [6] 201/7 201/12 204/16 208/22 265/11 275/16</p> <p>economically [1] 277/17</p> <p>economics [6] 201/3 201/4 201/23 202/24 205/4 270/21</p> <p>economist [7] 201/2 202/3 202/7 202/21 204/10 208/24 214/25</p> <p>economists [3] 214/25 215/1 271/25</p> <p>EDM [1] 272/6</p> <p>effect [2] 215/4 259/19</p> <p>effective [2] 232/18 266/6</p> <p>effectiveness [2] 210/10 210/12</p> <p>efficiencies [4] 269/4 269/9 269/13 276/6</p> <p>effort [1] 250/9</p> <p>either [4] 208/7 235/19 257/18 257/19</p> <p>elected [1] 202/12</p> <p>element [9] 266/14 266/19 267/4 267/7 267/12 267/13 267/20 268/7 269/2</p> <p>elements [4] 215/3 266/9 266/16 277/12</p> <p>eliminating [2] 269/11 272/15</p> <p>elimination [3] 272/1 272/6 272/10</p>	<p>Ellingson [1] 195/12</p> <p>else [1] 219/17</p> <p>emergency [1] 271/7</p> <p>employee [1] 232/1</p> <p>employees [9] 230/3 230/5 230/17 232/14 232/19 232/25 233/23 234/14 239/13</p> <p>employer [12] 208/12 229/25 230/2 230/13 230/17 230/22 232/17 233/22 238/2 246/9 246/10 248/10</p> <p>employers [7] 229/14 232/24 234/11 234/12 237/15 237/23 244/7</p> <p>employing [1] 206/5</p> <p>encourages [1] 271/18</p> <p>end [8] 219/15 252/13 260/1 262/12 262/13 263/19 263/20 268/1</p> <p>ends [1] 278/8</p> <p>engage [1] 259/21</p> <p>engages [1] 260/24</p> <p>enhanced [1] 257/10</p> <p>enter [1] 248/15</p> <p>entered [2] 219/8 228/15</p> <p>entice [1] 232/3</p> <p>entire [5] 230/18 231/1 231/10 231/12 258/25</p> <p>entities [1] 208/13</p> <p>entity [7] 215/12 250/8 260/2 260/23 267/22 270/17 270/22</p> <p>entry [2] 226/8 228/6</p> <p>especially [3] 222/8 252/23 271/11</p> <p>essential [1] 266/16</p> <p>essentially [3] 244/20 248/11 265/1</p> <p>estimate [1] 276/5</p> <p>estimates [1] 276/3</p> <p>et [4] 193/3 193/6 198/8 198/9</p> <p>evaluate [4] 207/4 207/6 235/6 238/14</p> <p>evaluated [4] 207/5 210/18 213/16 213/23</p> <p>evaluating [1] 202/22</p> <p>evaluation [1] 251/17</p> <p>even [10] 222/20 225/24 228/8 236/14 239/1 254/18 267/9 275/4 276/3 276/15</p> <p>ever [1] 231/7</p> <p>every [2] 219/4 221/6</p> <p>everyone [2] 226/24 251/24</p> <p>evidence [12] 245/23 250/23 251/2 251/6 251/16 252/4 266/4 267/8 267/8 268/3 270/5 270/9</p> <p>exact [2] 259/11 265/22</p> <p>exactly [10] 214/14 222/18 227/15 237/13</p>	<p>237/21 240/1 240/18 249/7 260/23 265/19</p> <p>EXAMINATION [1] 200/22</p> <p>example [15] 221/19 224/10 224/11 225/5 225/23 226/3 226/22 227/2 230/11 238/21 240/16 253/8 253/17 256/17 268/15</p> <p>examples [3] 222/20 226/10 228/7</p> <p>exclusively [1] 218/19</p> <p>excuse [2] 243/22 253/2</p> <p>excused [1] 277/22</p> <p>existence [1] 254/21</p> <p>expanding [2] 226/23 271/3</p> <p>expansion [1] 226/8</p> <p>expect [1] 252/24</p> <p>expensive [1] 271/8</p> <p>experience [3] 202/25 212/21 273/3</p> <p>experienced [1] 237/8</p> <p>expert [4] 203/1 204/9 204/16 218/9</p> <p>expires [3] 262/7 262/8 262/12</p> <p>explain [2] 246/7 265/2</p> <p>Express [8] 205/10 223/5 224/15 225/7 225/10 226/25 255/12 265/24</p> <p>Express Scripts [6] 205/10 223/5 225/10 226/25 255/12 265/24</p> <p>Express Scripts/Medco [2] 224/15 225/7</p> <p>expressed [1] 252/22</p> <p>expression [1] 261/24</p> <p>extent [5] 220/16 254/9 270/16 271/17 273/4</p> <p>extra [1] 270/23</p> <p>F</p> <p>face [1] 261/24</p> <p>facing [5] 239/7 239/8 240/20 248/6 265/19</p> <p>fact [2] 211/13 259/17</p> <p>factors [2] 211/15 212/23</p> <p>facts [1] 253/5</p> <p>factually [1] 277/16</p> <p>fairly [1] 260/9</p> <p>fairness [2] 229/5 258/12</p> <p>fall [1] 273/22</p> <p>familiar [2] 205/22 223/23</p> <p>Fantastic [1] 230/18</p> <p>far [1] 255/7</p> <p>favor [1] 250/9</p> <p>favored [1] 260/1</p> <p>Federal [3] 202/3 204/15 208/25</p> <p>few [1] 201/23</p>
--	--	---	---	---

<p>F</p> <p>field [2] 202/11 202/14</p> <p>figure [2] 230/2 239/23</p> <p>filing [1] 264/16</p> <p>financial [2] 212/22 261/19</p> <p>find [2] 225/7 274/4</p> <p>finding [1] 227/13</p> <p>fine [3] 233/25 253/14 273/18</p> <p>finish [3] 255/15 271/24 278/8</p> <p>finished [1] 255/16</p> <p>firewall [6] 240/23 240/25 241/1 241/10 241/11 241/22</p> <p>firewalls [2] 241/5 251/3</p> <p>firms [1] 201/12</p> <p>first [15] 200/14 201/11 206/12 212/7 215/14 217/11 221/17 224/20 229/22 238/9 256/8 256/22 273/10 275/2 275/7</p> <p>Fitzgerald [2] 193/13 198/16</p> <p>five [4] 215/3 244/23 245/1 245/1</p> <p>five-minute [1] 244/23</p> <p>fixing [1] 204/14</p> <p>FL [2] 194/2 194/3</p> <p>Florida [4] 194/2 194/6 199/2 236/9</p> <p>flu [1] 208/20</p> <p>focus [2] 238/5 249/21</p> <p>folks [3] 236/4 236/5 236/12</p> <p>follow [1] 273/6</p> <p>FOLLOWS [1] 200/21</p> <p>foreclosure [24] 206/17 207/16 213/23 213/25 214/4 214/24 215/4 221/17 235/15 252/3 252/4 258/18 259/16 259/18 259/18 259/21 260/4 260/25 261/15 266/9 267/21 268/13 277/13 277/15</p> <p>foregoing [1] 279/3</p> <p>form [1] 269/11</p> <p>formularies [3] 233/15 233/15 235/18</p> <p>formulary [5] 233/17 233/23 234/1 234/21 239/17</p> <p>forth [1] 233/10</p> <p>forward [4] 198/10 224/21 273/21 277/10</p> <p>found [3] 212/12 212/18 254/4</p> <p>Foundation [2] 195/19 200/9</p> <p>founded [1] 201/11</p> <p>fourth [1] 268/7</p> <p>framework [1] 209/8</p> <p>frankly [1] 209/4</p> <p>free [2] 247/10 247/11</p>	<p>front [1] 273/17</p> <p>FTC [17] 202/5 202/8 202/16 203/25 204/12 204/13 210/12 210/15 210/22 210/24 211/19 212/12 212/18 212/24 224/18 224/20 224/22</p> <p>FTC's [1] 225/6</p> <p>function [1] 240/20</p> <p>functions [5] 238/24 239/7 240/19 242/19 242/21</p> <p>fundamentally [1] 243/11</p> <p>future [1] 270/8</p> <p>G</p> <p>gain [6] 218/3 260/6 268/22 268/22 269/21 269/21</p> <p>gaps [1] 237/12</p> <p>gave [1] 212/24</p> <p>general [4] 194/2 194/8 269/15 271/14</p> <p>GENERAL/FL [1] 194/2</p> <p>generally [1] 214/25</p> <p>generic [1] 233/24</p> <p>get [24] 208/19 215/13 227/20 230/4 231/9 231/21 231/25 232/3 233/24 234/3 234/4 240/14 240/16 245/2 248/13 252/7 257/19 259/23 259/24 263/15 263/15 267/21 271/6 271/8</p> <p>getting [2] 239/19 257/4</p> <p>give [13] 212/23 214/23 215/8 218/12 220/6 220/11 225/5 226/10 230/3 234/4 235/24 247/11 253/8</p> <p>given [1] 274/6</p> <p>gives [1] 234/17</p> <p>globally [1] 201/19</p> <p>go [22] 202/25 206/9 218/7 219/17 230/17 230/25 232/10 232/14 232/18 232/19 233/13 244/2 245/2 246/10 255/15 256/21 262/2 264/4 267/14 267/18 268/4 274/15</p> <p>Go ahead [3] 206/9 255/15 274/15</p> <p>God [1] 198/4</p> <p>goes [4] 221/2 239/18 251/10 265/9</p> <p>going [27] 221/10 221/17 223/1 225/16 225/16 231/19 232/15 232/18 233/18 239/2 246/6 252/18 259/18 260/1 260/24 261/15 263/9 268/1 269/20 270/2 270/3 270/4</p>	<p>270/8 270/9 272/11 275/24 277/10</p> <p>gone [1] 229/1</p> <p>good [19] 198/12 198/15 198/19 198/23 199/1 199/5 199/9 199/12 199/15 199/18 199/21 199/25 200/3 200/7 200/16 200/17 219/13 245/5 278/9</p> <p>Good morning [10] 198/12 198/15 199/1 199/5 199/9 199/12 199/21 199/25 200/16 200/17</p> <p>got [5] 211/1 212/22 217/16 223/8 236/19</p> <p>government [2] 204/9 276/24</p> <p>governments [3] 201/15 201/17 229/17</p> <p>graduate [2] 201/4 204/21</p> <p>great [2] 252/22 271/12</p> <p>greater [3] 217/10 268/17 273/2</p> <p>Group [1] 200/5</p> <p>groups [6] 208/8 208/9 208/12 208/15 208/16 208/17</p> <p>grow [2] 225/16 243/6</p> <p>grown [1] 225/22</p> <p>guess [2] 230/17 263/18</p> <p>guts [1] 240/4</p> <p>guys [1] 257/21</p> <p>H</p> <p>Habash [2] 194/15 199/16</p> <p>had [14] 205/4 205/11 205/15 207/14 212/20 220/14 225/13 227/16 235/22 238/20 239/22 255/17 265/19 268/24</p> <p>hand [1] 200/18</p> <p>handle [2] 239/14 239/14</p> <p>happened [3] 225/19 227/15 237/13</p> <p>happening [1] 226/4</p> <p>happens [1] 221/22</p> <p>hard [1] 244/24</p> <p>harm [1] 250/24</p> <p>harmful [1] 267/3</p> <p>has [62] 206/4 206/10 206/16 208/17 209/5 210/12 214/8 214/9 217/9 217/10 217/16 218/18 219/23 220/1 220/1 220/10 220/18 224/6 225/2 225/4 225/19 226/7 226/8 226/9 227/4 228/14 238/23 239/19 240/19 241/7 245/13 245/15 248/14 249/20 250/18 251/13 251/17 251/24</p>	<p>253/11 254/14 255/25 256/10 256/24 257/15 258/2 258/24 259/19 259/21 259/22 262/20 262/25 263/9 264/15 265/12 265/24 268/8 268/18 269/3 270/14 272/9 273/3 277/9</p> <p>hasn't [1] 257/16</p> <p>have [123]</p> <p>haven't [1] 230/20</p> <p>having [6] 200/20 234/23 235/24 238/16 265/9 270/22</p> <p>Hawaii [1] 194/7</p> <p>HBO [4] 215/11 222/1 266/22 268/16</p> <p>he [18] 203/9 203/10 209/18 244/25 252/22 253/6 253/14 272/24 272/24 273/19 273/20 273/21 273/25 274/1 274/14 274/24 275/11 276/1</p> <p>he's [4] 203/15 209/16 209/19 244/24</p> <p>health [50] 193/6 198/9 199/10 199/13 199/16 199/19 202/12 205/4 208/12 221/19 221/23 222/2 222/20 222/22 224/7 226/23 227/5 227/12 229/11 229/11 229/16 229/25 230/3 230/6 230/7 230/13 232/18 233/22 237/15 237/16 237/24 237/25 241/13 241/20 244/4 244/6 246/10 246/11 248/7 256/18 256/18 258/19 260/25 261/5 267/5 268/21 268/22 269/1 269/17 271/18</p> <p>healthcare [12] 193/22 195/19 200/8 202/11 202/14 204/18 204/24 205/13 225/12 265/20 271/7 271/8</p> <p>hear [2] 209/2 278/1</p> <p>heard [9] 224/3 224/6 231/8 236/16 236/18 236/19 236/20 250/18 273/7</p> <p>hearing [4] 193/9 203/5 228/23 270/25</p> <p>heck [1] 235/13</p> <p>help [7] 230/10 233/1 237/15 237/23 238/14 239/11 239/13</p> <p>helpful [1] 214/20</p> <p>helping [1] 244/2</p> <p>Henry [4] 195/2 195/6 199/22 199/25</p> <p>Henry Allen [1] 199/25</p> <p>Henry Quillen [1] 199/22</p> <p>henry.allen [1] 195/9</p> <p>here [22] 209/16</p>	<p>209/19 209/23 214/8 215/15 216/18 218/8 222/2 231/17 233/2 241/5 243/12 260/5 267/4 267/23 269/2 269/5 269/6 269/10 269/13 270/5 273/5</p> <p>here's [2] 230/16 230/22</p> <p>HHI [6] 272/25 273/4 273/9 273/17 273/20 273/25</p> <p>HHI's [1] 273/11</p> <p>HHIs [1] 273/21</p> <p>high [1] 239/20</p> <p>higher [2] 232/16 273/5</p> <p>highly [4] 266/1 273/22 273/24 274/5</p> <p>hires [1] 237/7</p> <p>his [7] 253/4 258/10 273/1 273/3 273/7 273/16 273/21</p> <p>history [1] 265/18</p> <p>Hogan [2] 204/2 204/3</p> <p>Honor [27] 198/12 198/15 198/19 198/23 199/1 199/5 199/9 199/12 199/15 199/18 199/21 199/25 200/3 200/7 200/13 200/15 209/11 209/22 210/6 218/5 228/9 237/10 249/14 263/5 266/8 277/19 277/23</p> <p>HONORABLE [4] 193/10 198/4 198/5 245/10</p> <p>hoping [4] 252/19 259/25 268/16 268/22</p> <p>horizontal [2] 206/25 213/22</p> <p>hospital [2] 204/17 204/22</p> <p>hour [3] 244/25 245/3 278/5</p> <p>house [7] 205/16 206/2 227/19 264/3 265/21 266/5 271/1</p> <p>household [1] 255/13</p> <p>houses [1] 205/3</p> <p>how [36] 201/8 201/15 201/17 208/16 208/21 208/22 208/24 214/5 214/20 219/2 222/22 229/20 230/3 233/5 234/20 234/21 236/5 236/13 236/15 236/22 238/16 239/23 241/2 241/2 242/13 250/13 252/12 263/13 264/5 265/11 265/13 267/2 267/20 268/9 272/23 273/1</p> <p>hquillen [1] 195/5</p> <p>huge [9] 218/3 218/3 237/14 239/4 241/21 241/23 243/12 261/1</p>
--	--	---	---	---

<p>H</p> <p>huge... [1] 271/12</p> <p>huh [2] 213/7 253/12</p> <p>hypothetical [1] 230/23</p> <p>hypothetically [1] 267/23</p> <hr/> <p>I</p> <p>I am [3] 201/2 201/7 201/23</p> <p>I believe [7] 224/15 231/14 235/10 246/25 255/2 256/19 269/24</p> <p>I can [2] 215/19 253/17</p> <p>I did [7] 202/6 202/17 204/21 206/22 208/11 229/3 258/1</p> <p>I don't [4] 203/20 254/13 257/19 274/6</p> <p>I don't have [2] 222/7 222/9</p> <p>I don't know [6] 247/17 255/1 257/14 257/17 258/5 275/9</p> <p>I don't recall [1] 243/2</p> <p>I don't think [5] 221/16 235/16 254/8 256/8 261/21</p> <p>I have [22] 201/3 203/3 203/4 203/7 203/14 203/23 204/11 204/20 204/25 205/8 205/14 209/23 215/18 215/18 235/10 245/22 246/11 248/16 251/5 253/5 267/11 268/6</p> <p>I just [1] 223/21</p> <p>I know [5] 215/1 217/3 236/23 266/13 269/3</p> <p>I mean [5] 218/8 223/4 247/10 273/7 275/24</p> <p>I recall [1] 263/16</p> <p>I should [1] 236/9</p> <p>I think [26] 212/9 212/9 212/10 213/17 214/24 222/7 227/3 230/1 236/3 236/14 238/20 238/21 243/5 243/6 244/25 247/1 249/1 253/5 260/19 263/17 271/11 275/10 275/23 276/4 276/16 278/4</p> <p>I understand [2] 225/17 231/6</p> <p>I want [1] 238/11</p> <p>I wanted [2] 238/9 238/10</p> <p>I was [7] 202/3 204/1 205/1 206/1 211/21 248/6 248/13</p> <p>I worked [1] 205/9</p> <p>I'd [4] 202/23 202/25 259/12 263/3</p> <p>I'll [10] 214/19 217/6 225/5 226/10 240/4 253/8 257/19 270/12 274/13 276/14</p>	<p>I'm [18] 205/22 214/17 218/9 218/9 218/9 220/14 229/3 231/7 231/19 232/17 232/18 239/2 254/18 269/24 271/15 272/25 273/20 274/9</p> <p>I'm going [3] 231/19 232/18 239/2</p> <p>I'm not [2] 218/9 229/3</p> <p>I'm not sure [2] 254/18 274/9</p> <p>I'm sure [1] 272/25</p> <p>I've [15] 201/9 201/25 204/11 205/19 205/19 206/6 236/18 240/20 251/1 251/19 253/16 260/10 263/17 265/15 266/7</p> <p>I-n-g-e-n-i-o [1] 226/18</p> <p>identified [1] 213/21</p> <p>identify [1] 212/4</p> <p>IL [1] 195/8</p> <p>image [1] 264/15</p> <p>impact [1] 202/9</p> <p>important [12] 209/5 212/16 215/7 215/18 241/5 241/5 241/6 258/17 267/1 267/20 271/5 275/10</p> <p>improve [1] 269/16</p> <p>in-house [4] 227/19 264/3 265/21 266/5</p> <p>incentive [1] 260/11</p> <p>incentives [3] 251/20 256/25 261/19</p> <p>include [2] 208/3 275/21</p> <p>included [2] 229/10 229/21</p> <p>includes [1] 249/12</p> <p>including [5] 203/24 210/25 237/17 241/14 260/22</p> <p>increase [4] 273/4 276/4 276/7 276/15</p> <p>increased [2] 225/2 225/4</p> <p>incumbent [3] 265/12 265/13 265/14</p> <p>independent [3] 208/7 208/8 248/22</p> <p>index [3] 197/2 273/1 274/1</p> <p>indicate [1] 273/1</p> <p>indicated [1] 252/23</p> <p>indicators [2] 269/23 269/25</p> <p>individual [1] 208/18</p> <p>individuals [1] 208/13</p> <p>industry [11] 204/19 212/20 224/19 236/24 237/14 254/23 273/22 273/23 273/24 274/5 277/6</p> <p>information [10] 207/4 207/5 207/10 210/22 237/12 241/8 251/3</p>	<p>258/8 258/13 270/11</p> <p>Ingenio [3] 226/18 226/20 226/21</p> <p>IngenioRx [3] 226/15 227/15 265/23</p> <p>inherent [1] 268/13</p> <p>inject [1] 201/16</p> <p>innovation [1] 202/13</p> <p>input [8] 215/7 215/7 215/17 249/20 249/21 259/24 266/15 266/21</p> <p>inputs [1] 249/22</p> <p>inside [12] 240/5 240/6 240/12 241/12 241/13 241/15 241/25 242/2 242/8 242/14 242/18 243/8</p> <p>insurance [7] 224/7 232/1 234/7 246/24 248/11 254/15 254/23</p> <p>insured [2] 239/18 239/22</p> <p>insurer [3] 229/9 231/9 232/1</p> <p>insurers [4] 229/11 229/12 230/25 261/5</p> <p>integrated [4] 215/8 215/12 224/6 270/22</p> <p>Intel [3] 240/5 240/5 242/6</p> <p>intensely [1] 277/6</p> <p>interact [1] 239/22</p> <p>interest [2] 200/5 270/1</p> <p>interesting [3] 214/16 214/17 276/17</p> <p>internal [1] 222/16</p> <p>interviews [1] 211/3</p> <p>introduce [1] 200/24</p> <p>investigation [2] 224/25 272/4</p> <p>investing [1] 264/20</p> <p>involved [1] 243/11</p> <p>is [234]</p> <p>is that correct [1] 204/7</p> <p>Is there [1] 215/6</p> <p>isn't [7] 217/24 220/2 232/4 242/24 242/25 270/16 274/14</p> <p>issue [5] 213/22 235/6 235/15 253/16 254/9</p> <p>issued [1] 210/13</p> <p>issues [5] 213/17 213/24 213/25 214/4 276/10</p> <p>it [165]</p> <p>it would be [2] 239/24 268/21</p> <p>it's [79] 209/5 211/2 215/1 215/17 216/2 216/9 216/15 217/3 217/25 219/10 219/12 219/20 220/17 221/10 223/8 223/24 226/18 227/3 228/4 228/6 228/20 230/2 233/21 234/7 234/11 234/15</p>	<p>234/19 239/1 239/4 239/4 239/5 240/4 240/5 240/5 240/12 241/5 241/6 241/12 242/14 242/25 243/2 243/3 243/5 243/14 243/15 243/20 244/4 244/5 246/4 247/1 247/19 247/19 254/22 254/23 256/21 256/22 257/4 257/6 257/8 258/7 259/14 259/18 259/25 263/19 267/1 267/1 269/15 269/15 270/17 271/17 273/18 273/18 273/23 275/2 275/7 275/10 276/16 276/21 277/21</p> <p>It's like [2] 234/15 240/4</p> <p>items [2] 212/7 212/11</p> <p>its [20] 220/11 226/22 229/20 233/9 234/23 235/22 235/22 241/8 244/4 246/20 250/9 250/25 251/24 257/10 260/1 265/2 265/21 265/23 267/22 268/21</p> <p>itself [1] 256/23</p> <hr/> <p>J</p> <p>January [4] 210/14 211/22 226/11 226/25</p> <p>Jay [2] 193/13 198/12</p> <p>Jay Owen [1] 198/12</p> <p>jay.owen [1] 193/17</p> <p>jesus [3] 193/14 193/18 198/24</p> <p>Jesus Alvarado [1] 198/24</p> <p>jjaronica [1] 195/23</p> <p>job [4] 201/6 202/2 237/14 237/22</p> <p>joined [1] 202/2</p> <p>Jonathan [2] 194/11 199/10</p> <p>Jonathan Pitt [1] 199/10</p> <p>jpitt [1] 194/14</p> <p>Jr [1] 195/6</p> <p>judge [9] 193/10 203/10 204/2 204/3 236/3 256/3 258/17 261/18 268/7</p> <p>Judge Hogan [1] 204/3</p> <p>Judge Leon [3] 236/3 256/3 268/7</p> <p>Judge Leon's [1] 261/18</p> <p>judgment [1] 273/1</p> <p>July [1] 276/19</p> <p>June [2] 193/5 279/7</p> <p>just [45] 202/1 202/12 208/21 209/19 213/8 214/23 217/5 220/17 222/22 223/19 223/21 226/3 226/10 227/2</p>	<p>227/6 227/21 231/17 233/18 234/15 239/15 241/21 243/12 248/6 253/8 255/20 259/5 259/6 259/11 259/12 261/4 265/22 268/9 268/24 269/14 270/21 271/2 271/24 272/13 272/15 273/11 273/12 273/14 274/3 274/13 275/25</p> <p>JUSTICE [6] 193/14 193/20 207/9 213/2 235/6 272/4</p> <hr/> <p>K</p> <p>KALLAS [2] 195/3 199/22</p> <p>keep [8] 209/5 209/7 215/21 216/6 216/7 217/5 223/10 252/25</p> <p>key [3] 215/3 253/10 259/17</p> <p>kind [6] 234/13 237/25 239/24 270/1 271/18 272/3</p> <p>kinds [1] 243/8</p> <p>knew [1] 254/18</p> <p>know [41] 212/21 213/8 215/1 217/3 221/24 222/22 224/9 225/19 227/14 232/17 233/18 233/23 236/5 236/14 236/20 236/23 237/2 242/5 244/21 246/20 247/17 248/7 249/19 253/6 255/1 257/13 257/14 257/17 258/4 258/5 258/6 261/24 266/13 269/3 269/14 269/23 270/14 271/6 272/11 275/9 276/5</p> <p>knowledge [1] 212/20</p> <p>known [1] 254/21</p> <p>knows [3] 220/9 241/7 251/24</p> <hr/> <p>L</p> <p>label [1] 276/6</p> <p>lady [1] 262/3</p> <p>lag [1] 263/14</p> <p>landing [1] 201/18</p> <p>large [1] 265/5</p> <p>largest [2] 222/4 254/15</p> <p>last [6] 205/15 227/3 250/19 269/2 270/25 276/19</p> <p>later [1] 263/8</p> <p>launching [1] 226/15</p> <p>LAW [1] 195/11</p> <p>Lawrence [3] 200/15 200/20 201/2</p> <p>Lawrence Wu [2] 200/15 201/2</p> <p>lawyer [1] 229/3</p> <p>lawyers [1] 215/2</p>
--	--	--	---	--

<p>L</p> <p>leaders [1] 224/12</p> <p>leads [1] 260/1</p> <p>learn [2] 218/9 265/18</p> <p>learned [1] 210/19</p> <p>Lee [2] 194/7 199/5</p> <p>left [3] 211/5 211/8 267/10</p> <p>LEON [6] 193/10 198/4 236/3 256/3 258/17 268/7</p> <p>Leon's [1] 261/18</p> <p>less [1] 217/5</p> <p>lessons [1] 210/19</p> <p>let [2] 236/15 238/21</p> <p>let's [7] 203/9 209/9 217/5 229/22 230/20 263/16 273/14</p> <p>let's see [1] 263/16</p> <p>lets [1] 215/19</p> <p>level [1] 247/21</p> <p>levels [2] 210/5 262/25</p> <p>leverage [17] 215/8 217/10 217/10 217/14 217/24 218/2 218/12 218/15 218/25 220/4 220/7 220/11 220/14 221/8 221/11 235/17 250/8</p> <p>life [1] 254/22</p> <p>like [21] 201/17 202/1 202/25 209/21 222/11 229/12 230/12 232/22 232/24 234/15 235/25 239/10 239/14 239/15 240/4 255/12 258/7 259/12 263/3 265/12 274/1</p> <p>likely [7] 211/16 212/13 212/15 212/19 212/24 273/5 273/6</p> <p>line [1] 234/8</p> <p>lines [1] 246/16</p> <p>list [2] 212/11 235/22</p> <p>listen [1] 209/3</p> <p>listened [1] 272/25</p> <p>listening [1] 217/4</p> <p>listing [1] 226/1</p> <p>lists [1] 233/18</p> <p>little [5] 217/22 218/6 256/5 257/23 276/12</p> <p>lives [3] 218/23 221/8 256/18</p> <p>liz.brady [1] 194/4</p> <p>Lizabeth [2] 194/2 199/2</p> <p>Lizabeth Brady [1] 199/2</p> <p>LLP [4] 194/12 194/16 195/3 195/20</p> <p>locked [2] 262/20 263/1</p> <p>logically [1] 252/20</p> <p>long [7] 201/8 219/1 221/4 236/25 251/8 266/20 275/8</p> <p>long-term [2] 251/8 266/20</p>	<p>longer [1] 252/16</p> <p>look [17] 207/23 222/3 222/21 223/2 225/6 226/3 227/16 241/7 241/12 256/14 264/5 267/5 275/14 275/23 276/8 276/17 276/19</p> <p>looked [7] 208/25 210/15 213/5 253/16 254/2 265/15 274/6</p> <p>looking [5] 211/12 254/4 274/9 274/25 275/5</p> <p>looks [2] 273/20 273/25</p> <p>Los [1] 194/9</p> <p>lose [9] 223/4 223/4 223/5 223/5 223/6 252/25 267/6 267/17 267/25</p> <p>losers [1] 209/6</p> <p>loses [3] 223/3 223/3 223/16</p> <p>losing [3] 252/18 268/15 268/21</p> <p>loss [4] 245/20 259/22 266/20 267/9</p> <p>losses [1] 265/16</p> <p>lost [6] 222/21 265/15 266/24 267/1 267/15 268/4</p> <p>lot [5] 243/11 253/1 269/3 275/23 275/24</p> <p>Lotvin [2] 278/2 278/3</p> <p>low [2] 256/9 257/1</p> <p>lower [8] 231/23 232/19 232/23 232/25 254/3 270/2 270/8 276/20</p> <p>lower-cost [1] 232/25</p> <p>Lucarelli [2] 274/22 274/23</p> <p>lunchtime [1] 277/21</p> <p>M</p> <p>made [9] 210/19 210/20 211/15 212/15 229/24 231/18 236/3 239/16 275/25</p> <p>magnitude [1] 241/15</p> <p>mail [3] 242/22 242/24 243/16</p> <p>mail-order [1] 242/22</p> <p>major [1] 216/15</p> <p>make [9] 231/19 233/1 237/24 239/15 259/25 261/19 263/22 271/11 273/8</p> <p>makes [5] 233/8 233/9 237/3 261/20 261/21</p> <p>making [4] 230/8 234/8 234/11 242/5</p> <p>Malinda [2] 194/7 199/5</p> <p>Malinda Lee [1] 199/5</p> <p>Malinda.Lee [1] 194/10</p> <p>management [2] 265/1 265/4</p>	<p>manager [1] 205/7</p> <p>manufacturer [2] 220/9 221/3</p> <p>manufacturers [6] 220/8 220/12 233/13 240/8 242/9 242/17</p> <p>manufacturing [1] 243/15</p> <p>many [12] 202/10 221/23 222/2 222/4 222/25 241/13 242/19 256/20 265/5 265/5 271/6 273/3</p> <p>marginalization [4] 269/12 272/1 272/7 272/10</p> <p>market [13] 205/18 210/24 211/2 211/3 212/21 213/18 216/23 218/2 218/3 223/9 246/2 254/18 274/5</p> <p>market/industry [1] 274/5</p> <p>marketplace [16] 201/16 206/15 207/1 207/17 213/6 213/9 214/2 216/12 216/13 216/16 221/22 224/23 226/4 237/12 275/14 276/16</p> <p>markup [2] 270/17 270/19</p> <p>markups [2] 270/23 272/15</p> <p>Marriott [2] 229/14 237/7</p> <p>Maryland [1] 237/7</p> <p>matter [2] 198/7 279/4</p> <p>matters [2] 201/14 205/13</p> <p>may [23] 202/18 208/19 209/24 229/14 231/19 232/17 248/7 249/25 250/8 255/13 258/13 258/14 266/22 269/20 270/12 271/2 271/2 272/17 272/18 274/13 274/16 274/17 275/5</p> <p>May 13th [1] 249/25</p> <p>maybe [8] 230/15 230/20 236/8 246/4 255/16 255/18 257/12 257/19</p> <p>MAZARD [1] 195/15</p> <p>McConnell [1] 195/20</p> <p>McGinley [2] 194/16 199/19</p> <p>MD [1] 195/12</p> <p>me [12] 202/10 204/16 215/19 238/22 242/20 243/22 253/2 253/9 261/25 269/24 274/14 275/25</p> <p>mean [15] 203/10 217/1 218/8 222/10 223/4 235/20 239/8 241/16 242/8 247/10</p>	<p>247/17 256/23 272/19 273/7 275/24</p> <p>Meaning [2] 235/21 241/17</p> <p>mechanical [1] 196/7</p> <p>Medco [8] 205/10 224/15 225/7 225/10 227/16 227/20 265/19 265/20</p> <p>medical [6] 195/2 195/7 199/22 200/1 237/8 248/11</p> <p>Medicare [4] 249/2 252/15 275/2 276/25</p> <p>Medicare Part D [2] 249/2 252/15</p> <p>MedImpact [5] 223/6 223/22 224/10 225/23 225/24</p> <p>medium [1] 233/3</p> <p>member [3] 256/13 256/15 256/19</p> <p>mention [4] 235/14 249/19 270/12 270/24</p> <p>mentioned [10] 208/15 223/21 224/14 225/24 226/7 256/3 261/14 270/25 272/14 276/1</p> <p>mentions [3] 274/18 275/11 276/4</p> <p>menu [2] 230/13 234/15</p> <p>Mercer [1] 237/18</p> <p>merge [1] 219/20</p> <p>merger [32] 202/15 203/25 204/5 204/17 205/7 205/7 210/4 210/5 212/24 217/15 217/24 243/19 243/19 244/11 244/16 245/13 246/13 246/14 248/18 248/19 249/2 249/10 250/23 251/20 251/22 266/11 270/1 270/6 271/18 271/24 273/1 276/4</p> <p>mergers [5] 202/5 202/9 202/14 269/5 269/8</p> <p>merging [3] 204/1 204/8 210/25</p> <p>Merit [1] 196/2</p> <p>methodological [1] 275/16</p> <p>Michael [4] 194/15 194/16 199/13 199/19</p> <p>Michael Cowie [1] 199/13</p> <p>Michael McGinley [1] 199/19</p> <p>michael.mcginley [1] 194/19</p> <p>Middle [1] 195/3</p> <p>might [19] 208/13 215/6 215/7 215/10 217/4 223/22 230/11 230/19 230/21 233/23 239/11 239/11 239/11</p>	<p>239/13 255/2 257/1 257/8 263/18 273/23</p> <p>mike.cowie [1] 194/19</p> <p>million [13] 217/25 218/1 218/1 218/22 219/23 220/10 221/8 234/23 256/4 257/6 257/7 270/6 272/21</p> <p>mind [3] 209/5 209/8 222/6</p> <p>minute [1] 244/23</p> <p>MinuteClinic [1] 208/19</p> <p>MinuteClinics [3] 208/18 271/4 271/10</p> <p>minutes [2] 245/1 245/2</p> <p>miscalculations [1] 275/6</p> <p>missing [1] 275/20</p> <p>Mississippi [1] 194/6</p> <p>Missouri [1] 204/17</p> <p>misused [1] 251/3</p> <p>mix [1] 264/7</p> <p>model [3] 254/7 268/3 275/20</p> <p>modeling [2] 254/1 267/9</p> <p>moderately [1] 273/23</p> <p>mom [1] 237/2</p> <p>moment [1] 238/6</p> <p>money [1] 259/25</p> <p>months [1] 263/14</p> <p>more [26] 211/16 212/13 212/14 212/15 212/19 215/19 217/22 220/7 223/18 231/22 231/22 232/17 235/24 259/2 259/12 259/14 259/25 260/17 260/18 261/7 270/3 270/4 270/9 270/10 270/10 276/6</p> <p>morning [17] 193/8 198/12 198/15 198/19 198/23 199/1 199/5 199/9 199/12 199/15 199/18 199/21 199/25 200/3 200/7 200/16 200/17</p> <p>MORRIS [2] 195/20 200/8</p> <p>most [9] 208/7 210/13 213/18 222/4 236/4 236/5 236/12 236/17 271/8</p> <p>mostly [1] 239/6</p> <p>MOTIONS [1] 193/9</p> <p>move [1] 209/9</p> <p>moved [1] 224/21</p> <p>Mr. [1] 200/12</p> <p>Mr. Pitt [1] 200/12</p> <p>Mucchetti [2] 193/20 198/20</p> <p>much [3] 260/7 263/13 274/10</p> <p>multiple [1] 230/12</p> <p>must [11] 215/7 215/13</p>
---	---	---	---	--

<p>M</p> <p>must... [9] 215/17 221/16 221/19 221/20 222/16 227/25 249/21 266/13 266/14</p> <p>must-have [10] 215/7 215/13 215/17 221/16 221/19 222/16 227/25 249/21 266/13 266/14</p> <p>my [19] 201/2 203/15 206/4 206/10 207/6 207/13 208/1 212/7 213/4 213/24 228/4 228/6 232/19 233/2 235/7 237/2 244/23 253/17 261/25</p> <p>My understanding [1] 235/7</p> <p>myfloridalegal.com [1] 194/4</p>	<p>231/5 231/14 233/2 235/23</p> <p>never [6] 203/12 203/14 236/16 236/18 236/19 236/20</p> <p>New [1] 222/13</p> <p>New York [1] 222/13</p> <p>next [4] 267/12 267/13 278/1 278/1</p> <p>NH [1] 195/4</p> <p>Ninth [1] 195/21</p> <p>no [25] 193/4 209/16 211/20 211/21 216/20 217/3 218/7 220/4 220/20 220/20 220/20 221/5 223/13 234/10 236/1 237/3 243/20 243/25 244/17 244/19 248/23 249/11 251/1 252/16 277/20</p> <p>No. [1] 198/8</p> <p>No. 18-2340 [1] 198/8</p> <p>non [2] 218/2 272/18</p> <p>non-PDP [1] 218/2</p> <p>non-price [1] 272/18</p> <p>nose [1] 261/23</p> <p>not [95]</p> <p>note [1] 275/19</p> <p>nothing [1] 235/19</p> <p>now [21] 198/3 207/19 214/14 219/20 221/15 225/20 226/1 226/22 229/1 229/11 244/25 248/18 249/17 251/10 254/20 269/19 270/17 273/15 274/8 274/13 276/13</p> <p>number [8] 207/22 213/16 238/23 243/3 254/7 265/10 272/11 275/19</p> <p>NW [7] 193/15 193/23 194/12 194/17 195/15 195/21 196/4</p> <p>NYU [1] 205/3</p> <p>NYU's [1] 205/2</p>	<p>195/11 208/19</p> <p>offices [1] 201/20</p> <p>Official [1] 196/3</p> <p>offset [1] 276/6</p> <p>often [2] 219/2 223/16</p> <p>Oh [8] 215/17 215/23 216/5 216/8 220/20 227/7 242/4 262/9</p> <p>okay [54] 206/23 212/1 212/3 212/10 213/12 213/13 213/19 213/22 214/13 215/5 215/6 215/13 215/17 216/5 216/25 217/6 217/8 217/21 219/13 219/19 221/1 225/7 225/17 225/19 226/22 230/14 230/18 230/21 233/19 233/25 238/3 240/2 240/11 241/9 241/14 242/4 242/12 242/15 242/20 243/4 243/13 244/22 245/3 245/4 247/16 253/13 253/25 254/25 255/8 273/11 273/13 275/7 276/14 276/22</p> <p>old [1] 252/15</p> <p>Once [1] 219/4</p> <p>one [50] 201/11 204/12 212/16 214/8 214/12 215/3 215/14 216/15 216/17 222/19 223/1 225/8 225/12 225/20 226/11 227/3 228/14 231/25 232/4 232/7 234/18 239/18 239/20 240/7 240/15 247/21 249/20 249/22 249/22 252/19 253/10 254/22 254/23 257/8 259/5 259/6 259/17 260/3 262/9 264/4 265/18 268/17 270/14 270/17 272/11 272/15 273/21 274/22 275/21 278/5</p> <p>ones [3] 222/6 222/9 222/10</p> <p>ongoing [1] 212/14</p> <p>only [4] 223/1 230/20 252/13 257/1</p> <p>operate [2] 236/6 241/3</p> <p>operated [1] 245/13</p> <p>operates [3] 236/13 236/15 242/7</p> <p>opinion [1] 256/9</p> <p>opposed [3] 241/25 242/1 242/10</p> <p>opposition [4] 207/24 208/2 208/7 208/11</p> <p>option [1] 265/9</p> <p>options [6] 233/5 237/23 263/3 263/7 264/1 277/9</p> <p>Optum [2] 274/7 274/7</p> <p>OptumRx [6] 223/5 225/13 225/15 225/20</p>	<p>227/19 265/21</p> <p>order [10] 198/6 232/3 242/22 242/24 243/16 245/11 249/25 250/5 250/24 251/3</p> <p>orders [1] 210/15</p> <p>ordinary [1] 255/21</p> <p>organize [1] 227/13</p> <p>other [18] 218/1 222/19 232/3 232/11 234/2 241/9 242/1 242/19 242/21 243/8 248/1 249/9 256/14 260/10 264/1 266/16 268/5 269/12</p> <p>others [4] 222/25 242/20 255/12 256/3</p> <p>Our [1] 230/25</p> <p>out [15] 217/19 222/23 230/3 239/23 251/7 259/23 259/24 263/20 266/23 268/20 270/11 274/21 275/17 276/13 276/19</p> <p>outlets [1] 231/11</p> <p>output [1] 269/22</p> <p>outside [5] 201/20 224/11 240/12 240/15 247/1</p> <p>outsource [1] 264/3</p> <p>outward [1] 248/6</p> <p>outward-facing [1] 248/6</p> <p>over [12] 228/16 229/2 234/18 236/10 238/22 259/7 260/5 260/13 261/11 264/2 273/3 274/1</p> <p>overall [2] 261/1 269/17</p> <p>overlap [2] 213/5 213/18</p> <p>overture [1] 233/9</p> <p>Owen [2] 193/13 198/12</p> <p>own [11] 219/16 219/20 219/23 226/15 241/21 244/15 244/18 250/9 251/24 267/22 273/9</p> <p>owned [2] 220/19 220/24</p> <p>owns [1] 215/24</p>	<p>243/16 246/15 247/2 248/6 249/2 252/15 258/20 261/1 264/8 268/5 271/5 271/17</p> <p>Part D [2] 258/20 268/5</p> <p>participants [3] 210/25 211/2 211/4</p> <p>particular [1] 256/1</p> <p>parties [4] 202/18 204/1 204/8 210/25</p> <p>partnership [1] 227/5</p> <p>parts [2] 206/4 206/11</p> <p>party [1] 206/1</p> <p>pass [1] 202/13</p> <p>passed [1] 241/8</p> <p>past [3] 257/24 257/25 263/17</p> <p>patient [1] 240/17</p> <p>pay [2] 239/20 239/23</p> <p>paying [6] 247/9 247/13 247/22 248/4 248/5 256/12</p> <p>pays [1] 275/17</p> <p>PBM [146]</p> <p>PBM's [1] 241/24</p> <p>PBMs [17] 216/15 216/17 222/24 225/10 225/11 225/20 226/8 229/11 231/25 233/1 234/2 236/5 236/5 236/23 264/1 265/5 265/10</p> <p>PDP [33] 206/15 213/6 213/9 213/18 218/1 218/2 241/7 249/5 249/6 250/9 250/10 250/11 250/16 250/19 250/25 251/13 251/23 251/24 252/6 253/18 253/19 254/7 254/17 255/1 255/6 255/11 256/17 257/4 260/13 267/24 267/25 275/3 275/14</p> <p>people [3] 217/4 252/15 271/6</p> <p>per [3] 256/12 256/15 256/19</p> <p>percent [13] 216/12 216/16 216/18 217/20 217/23 223/8 242/23 242/25 254/3 254/3 254/5 255/22 258/25</p> <p>percentage [2] 267/17 267/25</p> <p>perfectly [2] 253/2 253/2</p> <p>performance [1] 262/25</p> <p>performed [2] 250/19 251/7</p> <p>performing [2] 252/10 252/11</p> <p>period [1] 274/1</p> <p>perpetuity [1] 252/25</p> <p>perspective [4] 208/22 265/11 274/3 275/16</p> <p>Peter [2] 193/20</p>
<p>N</p> <p>name [8] 201/2 223/23 223/24 226/16 252/8 252/13 252/17 254/18</p> <p>named [1] 274/22</p> <p>names [2] 198/10 255/13</p> <p>narrow [2] 231/4 233/4</p> <p>narrower [2] 230/20 232/16</p> <p>nation [2] 231/2 231/12</p> <p>nation's [1] 231/10</p> <p>nationwide [1] 234/25</p> <p>nature [1] 263/25</p> <p>Navitus [1] 223/22</p> <p>need [3] 239/13 270/16 270/22</p> <p>needed [2] 202/22 213/2</p> <p>negotiate [5] 231/18 237/15 238/1 240/7 264/2</p> <p>negotiated [2] 220/1 220/19</p> <p>negotiating [3] 218/21 221/6 235/17</p> <p>negotiation [2] 263/15 269/21</p> <p>negotiations [8] 215/9 242/8 242/17 243/15 246/21 247/23 263/15 270/20</p> <p>NERA [6] 201/7 201/10 201/11 201/13 202/2 204/15</p> <p>network [26] 217/17 229/21 230/16 230/16 230/19 230/22 231/1 231/2 231/10 231/20 232/4 232/7 232/9 232/12 232/13 232/14 232/15 232/16 233/3 233/4 233/4 239/12 242/9 242/17 247/24 249/23</p> <p>networks [8] 230/10 230/12 230/15 231/4</p>	<p>O</p> <p>oath [1] 200/19</p> <p>observation [1] 208/1</p> <p>observed [1] 223/18</p> <p>obviously [3] 257/15 264/1 273/7</p> <p>occasions [2] 202/18 210/13</p> <p>occur [1] 217/15</p> <p>occurred [1] 228/7</p> <p>occurs [1] 217/24</p> <p>off [4] 216/19 226/25 261/23 265/24</p> <p>offer [8] 230/12 230/15 230/16 232/24 233/22 234/13 246/16 269/18</p> <p>offered [1] 237/16</p> <p>offering [5] 232/3 232/5 232/8 234/15 246/18</p> <p>office [4] 194/2 194/7</p>		<p>P</p> <p>p.m [2] 245/9 278/12</p> <p>pages [1] 239/1</p> <p>paper [8] 274/22 275/1 275/4 275/11 275/12 275/25 276/1 276/5</p> <p>papers [2] 274/19 276/8</p> <p>parallel [2] 215/15 267/23</p> <p>part [23] 204/23 212/14 220/5 227/11 233/9 241/21 241/23 241/25 242/24 242/25 243/12</p>	

<p>P</p> <p>Peter... [1] 198/20</p> <p>Peter Mucchetti [1] 198/20</p> <p>peter.j.mucchetti [1] 193/25</p> <p>Ph.D [1] 201/4</p> <p>pharmaceutical [10] 218/21 221/3 231/1 231/10 231/11 240/8 243/15 246/21 270/2 270/21</p> <p>pharmacies [15] 208/4 208/9 229/10 229/21 229/22 230/18 230/21 231/2 231/20 232/9 232/22 234/25 235/22 235/24 243/14</p> <p>pharmacist [1] 233/25</p> <p>pharmacists [1] 208/8</p> <p>pharmacy [27] 205/6 205/11 217/10 217/17 230/3 230/11 230/12 230/22 231/19 231/20 231/21 232/7 232/20 234/21 235/19 235/23 237/9 239/12 239/19 242/22 242/24 246/10 246/11 246/15 247/24 249/22 269/17</p> <p>physician [5] 208/8 208/9 208/15 208/16 208/17</p> <p>pick [2] 252/19 253/3</p> <p>pie [2] 225/25 226/1</p> <p>PIRG [1] 195/11</p> <p>Pitt [3] 194/11 199/10 200/12</p> <p>PL [1] 194/3</p> <p>PL-01 [1] 194/3</p> <p>place [2] 211/18 274/9</p> <p>placed [1] 200/19</p> <p>plaintiff [3] 199/2 199/6 199/6</p> <p>Plaintiffs [1] 193/4</p> <p>plan [32] 222/22 226/23 227/5 229/25 230/3 230/13 232/18 233/22 234/13 237/16 237/25 241/7 244/5 244/6 248/7 250/10 251/23 251/25 253/18 253/19 255/1 255/3 255/6 256/18 260/25 263/11 267/5 268/21 268/22 269/1 271/5 271/18</p> <p>plans [18] 208/12 221/19 221/23 222/2 222/20 226/12 227/12 230/6 230/7 237/15 237/24 241/13 241/21 248/14 248/21 255/11 265/25 270/21</p> <p>play [1] 257/12</p> <p>player [1] 225/24</p> <p>please [3] 198/5 198/10 245/11</p>	<p>PLLC [1] 195/15</p> <p>point [9] 243/18 253/14 254/11 261/18 273/11 273/12 274/20 275/17 276/13</p> <p>pointed [1] 251/6</p> <p>points [1] 274/2</p> <p>policy [1] 205/3</p> <p>portion [4] 246/19 258/19 258/23 268/4</p> <p>Portsmouth [1] 195/4</p> <p>position [3] 238/12 238/13 238/13</p> <p>positioned [1] 253/3</p> <p>possible [2] 214/7 233/1</p> <p>post [1] 271/18</p> <p>post-merger [1] 271/18</p> <p>posture [2] 219/22 220/2</p> <p>potential [2] 252/2 270/8</p> <p>power [1] 273/2</p> <p>practical [1] 214/5</p> <p>pre [14] 210/5 212/20 243/19 243/19 244/11 244/16 245/13 246/13 246/14 248/18 248/19 249/2 249/10 250/23</p> <p>pre-approved [1] 212/20</p> <p>pre-merger [13] 210/5 243/19 243/19 244/11 244/16 245/13 246/13 246/14 248/18 248/19 249/2 249/10 250/23</p> <p>precedent [3] 266/10 266/17 268/10</p> <p>preferred [1] 231/20</p> <p>premerger [2] 248/21 250/15</p> <p>premium [2] 276/17 276/22</p> <p>premiums [1] 276/20</p> <p>present [2] 273/5 277/4</p> <p>presentation [2] 233/9 258/10</p> <p>presented [1] 201/25</p> <p>president [3] 201/7 201/8 201/9</p> <p>presiding [1] 198/4</p> <p>press [4] 226/24 228/24 229/1 276/19</p> <p>pretty [3] 211/2 220/2 242/25</p> <p>price [27] 201/17 204/14 232/13 232/16 232/19 232/21 232/23 234/20 239/19 252/23 255/18 256/4 256/5 256/7 256/9 256/19 256/23 256/24 257/1 257/23 257/25 270/3 271/2 272/18 272/18 276/4 276/7</p> <p>prices [4] 231/23</p>	<p>232/11 256/16 273/5</p> <p>pricing [2] 262/20 270/15</p> <p>Prime [2] 223/6 223/22</p> <p>Prime Therapeutics [1] 223/22</p> <p>Princeton [1] 276/2</p> <p>prior [4] 251/22 254/2 256/15 257/9</p> <p>private [1] 229/14</p> <p>privilege [2] 205/4 205/15</p> <p>probably [10] 213/22 222/12 232/15 233/17 237/2 237/3 253/16 254/22 257/10 263/19</p> <p>problem [2] 239/19 239/21</p> <p>problems [1] 257/1</p> <p>proceed [1] 200/12</p> <p>proceedings [4] 196/7 202/1 278/12 279/4</p> <p>processing [2] 243/10 243/16</p> <p>produced [1] 196/7</p> <p>product [1] 249/9</p> <p>Products [1] 193/22</p> <p>professionals [1] 237/8</p> <p>professor [10] 205/2 228/23 229/5 250/18 251/6 255/25 258/2 258/12 258/18 274/22</p> <p>profit [1] 268/22</p> <p>profitability [2] 268/7 268/12</p> <p>profitable [4] 259/19 260/4 260/17 267/21</p> <p>profits [4] 259/22 268/15 268/17 268/22</p> <p>program [5] 205/3 234/4 246/11 246/12 276/25</p> <p>projected [3] 276/20 276/23 278/5</p> <p>proposal [2] 207/25 263/11</p> <p>propose [2] 202/18 231/10</p> <p>proposed [6] 202/9 205/10 206/12 207/13 207/23 220/6</p> <p>proposing [1] 231/1</p> <p>prospect [1] 269/8</p> <p>protecting [1] 209/7</p> <p>provided [2] 208/6 209/11</p> <p>providing [5] 218/18 218/19 248/2 251/23 271/10</p> <p>provision [1] 228/19</p> <p>public [7] 200/4 205/2 205/3 229/6 229/7 264/21 269/25</p> <p>publicly [2] 207/10 258/13</p> <p>purchase [6] 256/4 256/4 256/7 256/8</p>	<p>256/19 257/25</p> <p>purpose [2] 210/2 210/4</p> <p>put [8] 222/22 260/7 263/10 263/20 267/24 268/25 269/1 274/3</p> <p>puts [2] 273/21 276/19</p> <p>putting [1] 209/19</p> <p>Q</p> <p>question [14] 213/14 215/11 215/15 217/8 223/13 231/7 236/10 255/17 258/17 258/19 260/4 266/24 269/16 275/25</p> <p>questions [4] 206/25 229/8 268/8 277/19</p> <p>Quillen [2] 195/2 199/22</p> <p>quote [1] 228/24</p> <p>quotes [1] 264/23</p> <p>R</p> <p>R-x [1] 226/19</p> <p>raise [2] 200/18 207/16</p> <p>raised [1] 206/17</p> <p>raises [1] 253/14</p> <p>raising [1] 214/1</p> <p>range [4] 256/15 256/20 256/21 256/22</p> <p>Rani [2] 194/15 199/16</p> <p>Rani Habash [1] 199/16</p> <p>rani.habash [1] 194/18</p> <p>rate [6] 253/15 254/8 256/1 267/9 267/10 267/13</p> <p>rates [5] 253/11 254/2 254/5 255/20 255/22</p> <p>rather [1] 246/3</p> <p>re [9] 220/1 220/19 246/5 246/8 246/19 247/4 247/5 247/18 248/11</p> <p>re-negotiated [2] 220/1 220/19</p> <p>re-seller [4] 246/5 246/8 247/4 247/5</p> <p>re-selling [3] 246/19 247/18 248/11</p> <p>reached [1] 207/12</p> <p>read [6] 205/19 207/7 207/8 207/10 229/1 275/17</p> <p>readily [3] 270/3 270/9 270/10</p> <p>ready [1] 200/12</p> <p>real [3] 230/24 267/8 276/13</p> <p>real-world [1] 267/8</p> <p>reality [4] 214/5 221/22 226/4 226/5</p> <p>really [7] 221/19 225/16 234/7 244/8 268/25 271/11 276/17</p> <p>Realtime [1] 196/3</p> <p>reason [2] 218/11</p>	<p>221/15</p> <p>reasonably [1] 206/13</p> <p>recall [4] 228/23 243/2 254/24 263/16</p> <p>recapture [1] 268/17</p> <p>received [1] 207/22</p> <p>recent [3] 210/13 256/17 263/5</p> <p>recess [2] 245/9 278/10</p> <p>recognize [1] 275/1</p> <p>recognized [2] 249/1 277/13</p> <p>recommendation [1] 202/24</p> <p>reconvene [1] 277/25</p> <p>record [4] 198/11 203/20 259/11 279/3</p> <p>recorded [1] 196/7</p> <p>records [2] 223/7 255/21</p> <p>RECROSS [1] 197/4</p> <p>REDIRECT [1] 197/4</p> <p>refer [2] 209/18 259/12</p> <p>referring [3] 242/18 248/6 264/12</p> <p>refers [5] 210/6 240/22 263/5 267/14 268/12</p> <p>reflect [1] 212/7</p> <p>reform [1] 202/13</p> <p>regard [1] 253/4</p> <p>regarding [1] 239/16</p> <p>regions [1] 213/20</p> <p>Registered [1] 196/2</p> <p>regulatory [2] 201/14 201/25</p> <p>rejected [1] 277/16</p> <p>related [4] 206/25 239/7 257/20 270/20</p> <p>relationship [4] 238/16 247/20 251/8 269/15</p> <p>relationships [1] 252/14</p> <p>release [4] 226/24 228/24 229/1 276/20</p> <p>relies [2] 274/18 275/12</p> <p>rely [1] 275/9</p> <p>remedies [4] 202/15 210/10 210/12 210/18</p> <p>remedy [8] 202/22 202/23 210/3 210/4 212/19 213/2 214/1 256/6</p> <p>remember [2] 209/14 224/4</p> <p>remembering [1] 273/20</p> <p>renew [1] 219/16</p> <p>renewable [1] 219/2</p> <p>renewed [2] 220/1 220/18</p> <p>report [4] 210/13 210/19 211/23 212/8</p> <p>reporter [5] 196/2 196/2 196/3 196/3 244/24</p> <p>request [1] 263/10</p>
--	---	---	---	--

<p>R</p> <p>required [1] 214/1</p> <p>research [3] 200/5 204/22 276/9</p> <p>resolve [3] 202/19 202/23 237/12</p> <p>resolved [2] 206/13 224/16</p> <p>resolves [1] 207/14</p> <p>respect [2] 212/12 218/5</p> <p>responsibility [2] 240/9 240/9</p> <p>responsible [1] 202/21</p> <p>restaurant [2] 230/13 234/16</p> <p>restore [1] 210/5</p> <p>result [5] 221/12 231/21 234/23 270/6 275/22</p> <p>retained [6] 201/13 201/15 204/1 204/8 204/16 206/6</p> <p>retention [8] 253/11 253/15 254/2 254/4 254/8 255/20 255/22 256/1</p> <p>return [4] 231/22 232/19 245/3 259/25</p> <p>revenue [6] 258/23 260/19 260/19 260/20 261/5 261/7</p> <p>revenues [5] 258/24 259/1 259/3 260/6 269/1</p> <p>review [6] 202/8 207/11 207/19 228/2 228/4 228/6</p> <p>reviewed [10] 202/10 207/7 228/6 238/17 245/16 245/19 248/24 249/24 255/21 257/24</p> <p>RFP [3] 263/10 264/1 265/10</p> <p>RICHARD [2] 193/10 198/4</p> <p>right [61] 200/11 200/18 203/18 206/8 209/15 209/23 211/6 211/10 211/14 213/15 214/13 214/13 216/1 216/12 216/20 216/21 216/22 216/24 217/11 217/12 218/2 218/16 219/17 219/18 221/15 223/11 223/12 225/14 226/13 227/18 229/6 229/19 233/16 233/20 234/5 234/6 237/1 238/2 239/17 240/10 241/24 242/9 242/18 247/8 247/11 247/12 252/1 252/21 258/15 260/23 261/13 261/17 262/16 264/14 264/22 265/8 269/19 270/18 277/25 278/3 278/8</p> <p>ringing [1] 236/7</p>	<p>rise [4] 198/2 245/8 245/10 278/11</p> <p>risk [4] 252/16 260/7 260/24 269/1</p> <p>rival [1] 267/2</p> <p>rivera [2] 193/14 193/19</p> <p>RMR [2] 279/2 279/8</p> <p>room [2] 196/5 271/7</p> <p>roughly [8] 216/12 216/20 216/21 216/22 216/24 217/22 239/1 245/2</p> <p>running [1] 277/2</p> <p>runs [3] 219/11 262/18 276/25</p> <p>rural [1] 271/11</p> <p>Rx [1] 227/4</p> <p>S</p> <p>sabotage [2] 250/24 261/15</p> <p>said [4] 209/14 213/21 236/14 265/22</p> <p>sale [1] 256/15</p> <p>sales [3] 211/1 256/10 259/23</p> <p>same [13] 215/20 220/16 220/17 221/10 225/3 230/6 233/12 233/21 238/12 240/18 252/7 252/10 268/20</p> <p>save [1] 198/4</p> <p>savings [3] 269/9 269/12 272/10</p> <p>saw [1] 227/21</p> <p>say [26] 217/6 222/10 226/16 229/14 230/16 230/20 230/21 230/25 231/19 231/19 231/21 232/17 233/23 236/9 237/7 237/7 242/8 244/2 246/11 247/18 247/22 257/9 262/9 266/21 266/23 275/4</p> <p>saying [6] 215/6 220/14 233/2 244/5 260/15 276/20</p> <p>says [5] 203/10 233/25 233/25 261/25 274/1</p> <p>scenes [1] 257/12</p> <p>school [4] 201/4 204/21 205/2 205/3</p> <p>Scott [2] 193/13 198/16</p> <p>Scott Fitzgerald [1] 198/16</p> <p>scott.fitzgerald [1] 193/18</p> <p>screen [1] 209/19</p> <p>Scripts [8] 205/10 223/5 224/15 225/7 225/10 226/25 255/12 265/24</p> <p>Sean [1] 195/20</p> <p>seated [2] 198/6 245/11</p> <p>SEC [1] 264/15</p>	<p>second [16] 206/16 207/15 217/12 222/21 228/18 245/3 254/15 256/23 266/19 267/6 267/25 270/24 272/17 273/15 275/11 276/21</p> <p>Section [1] 193/22</p> <p>see [28] 207/17 208/11 211/13 213/25 221/11 222/2 223/7 226/1 227/14 235/9 244/8 244/21 245/16 245/20 252/3 252/4 252/4 256/15 263/7 263/16 264/17 264/20 265/7 269/13 270/5 270/11 272/12 276/14</p> <p>seeing [1] 227/21</p> <p>seeking [1] 234/3</p> <p>seen [10] 205/19 225/23 250/23 251/2 251/16 251/19 266/4 266/7 267/8 268/3</p> <p>sell [1] 230/7</p> <p>seller [4] 246/5 246/8 247/4 247/5</p> <p>sellers [1] 275/6</p> <p>selling [5] 244/4 246/19 247/18 248/11 249/20</p> <p>sells [1] 248/10</p> <p>semester [1] 205/1</p> <p>send [1] 222/23</p> <p>sending [2] 264/1 265/10</p> <p>SENIOR [1] 193/10</p> <p>sense [5] 237/4 246/17 261/20 261/21 263/22</p> <p>serious [1] 275/6</p> <p>service [8] 205/2 215/17 222/23 239/12 239/15 242/10 262/25 268/21</p> <p>services [29] 201/17 205/11 208/13 208/20 218/18 218/19 219/17 226/23 227/13 227/17 228/15 228/19 244/14 246/5 246/8 246/16 247/5 247/7 247/11 247/14 247/22 248/1 248/12 249/12 251/23 252/10 264/2 266/5 270/15</p> <p>serving [1] 241/20</p> <p>session [3] 193/8 198/4 245/11</p> <p>set [3] 209/12 209/22 209/23</p> <p>sets [1] 233/9</p> <p>setting [1] 268/10</p> <p>settlement [1] 202/19</p> <p>setup [1] 214/19</p> <p>seven [1] 201/9</p> <p>several [3] 228/21 250/19 268/8</p> <p>she [2] 237/3 262/4</p> <p>She's [1] 262/2</p>	<p>sheet [1] 212/22</p> <p>Shield [1] 226/12</p> <p>shipped [1] 240/15</p> <p>short [1] 277/2</p> <p>shot [1] 208/21</p> <p>should [10] 214/16 214/17 235/13 236/9 239/16 259/20 276/5 276/10 277/16 278/7</p> <p>show [7] 209/16 209/18 223/15 245/23 250/22 251/9 265/16</p> <p>showing [3] 225/25 251/17 255/21</p> <p>shown [2] 264/10 273/3</p> <p>shows [3] 227/6 238/19 251/6</p> <p>side [11] 204/6 212/18 221/14 230/11 232/3 235/19 260/8 268/17 268/23 269/21 269/22</p> <p>signals [1] 257/1</p> <p>significance [2] 256/6 259/15</p> <p>significant [3] 254/6 259/17 275/22</p> <p>SilverScript [22] 241/9 250/12 250/12 250/15 250/25 251/4 251/14 251/18 252/9 254/19 255/12 258/20 258/24 259/3 260/2 260/6 260/7 260/12 261/16 268/1 268/4 268/23</p> <p>similar [1] 209/1</p> <p>simple [1] 208/20</p> <p>simulation [1] 274/24</p> <p>since [5] 218/19 225/2 226/8 252/20 264/9</p> <p>sir [2] 200/16 216/4</p> <p>sister [1] 237/20</p> <p>sit [1] 206/20</p> <p>situation [2] 231/8 251/23</p> <p>skeptically [1] 209/4</p> <p>slide [1] 244/14</p> <p>slots [1] 201/18</p> <p>small [4] 209/12 225/16 248/10 260/9</p> <p>smart [2] 238/1 262/2</p> <p>so [157]</p> <p>so it's [4] 211/2 240/12 243/14 247/19</p> <p>So they'll [1] 239/14</p> <p>So this is [1] 265/16</p> <p>so-called [2] 223/19 225/20</p> <p>society [1] 271/13</p> <p>sold [2] 212/14 212/17</p> <p>solution [2] 227/1 227/19</p> <p>some [18] 209/9 211/17 215/7 215/8 217/4 223/21 223/25 228/10 229/8 238/24 238/25 242/20 244/13 263/5 266/21 276/1</p>	<p>276/9 276/10</p> <p>somehow [2] 215/13 257/2</p> <p>someone [1] 219/17</p> <p>something [5] 222/11 242/6 243/5 243/6 269/25</p> <p>sometime [1] 263/20</p> <p>sometimes [1] 275/17</p> <p>Sood [19] 228/23 229/5 250/18 251/6 252/12 252/22 253/14 254/9 254/10 255/25 256/3 258/2 258/12 258/18 272/9 272/23 274/18 276/3 276/16</p> <p>Sood's [1] 253/10</p> <p>Sorry [1] 257/21</p> <p>sort [1] 251/19</p> <p>sound [1] 212/22</p> <p>source [2] 228/12 228/13</p> <p>space [2] 245/17 245/21</p> <p>speak [2] 214/3 263/21</p> <p>speaking [1] 265/1</p> <p>special [1] 275/2</p> <p>specialize [1] 201/23</p> <p>specific [2] 231/7 234/8</p> <p>specification [1] 275/21</p> <p>speculating [1] 253/15</p> <p>spending [1] 264/12</p> <p>spite [1] 261/24</p> <p>spmcconnell [1] 195/24</p> <p>Spring [1] 194/8</p> <p>St [1] 194/12</p> <p>staff [5] 202/3 202/7 202/7 202/21 215/1</p> <p>stand [1] 278/10</p> <p>standalone [1] 248/15</p> <p>standard [1] 271/25</p> <p>Stanford [1] 201/3</p> <p>start [5] 215/6 227/20 238/22 252/18 273/14</p> <p>starting [2] 273/11 273/12</p> <p>state [10] 194/2 194/6 198/10 199/2 199/6 222/3 224/1 229/17 232/1 237/7</p> <p>statement [1] 225/6</p> <p>states [18] 193/1 193/3 193/10 193/13 198/2 198/5 198/8 198/13 198/17 198/21 198/24 199/3 199/7 200/4 222/3 222/4 222/8 254/16</p> <p>statistics [1] 216/19</p> <p>stay [1] 225/16</p> <p>stayed [1] 225/3</p> <p>stenography [1] 196/7</p> <p>step [6] 217/11 217/12 221/17 227/11 241/11 245/7</p>
--	---	---	--	--

<p>S</p> <p>still [4] 252/9 252/9 256/24 275/23</p> <p>straight [1] 276/21</p> <p>strategy [6] 259/21 260/4 260/25 261/15 267/21 268/13</p> <p>Street [9] 193/15 193/23 194/8 194/17 195/3 195/21 265/1 265/4 265/5</p> <p>strength [1] 260/7</p> <p>strong [1] 256/24</p> <p>stronger [2] 234/22 235/1</p> <p>structure [1] 274/9</p> <p>studied [6] 210/9 210/12 211/22 254/17 257/24 270/11</p> <p>studies [2] 210/16 210/24</p> <p>study [5] 210/7 210/15 210/23 211/6 211/12</p> <p>subcommittee [3] 205/16 206/2 271/1</p> <p>subject [2] 203/21 220/18</p> <p>submissions [1] 207/8</p> <p>submitted [1] 207/9</p> <p>subscriber [2] 232/10 240/14</p> <p>subscribers [4] 219/23 266/25 267/2 267/17</p> <p>subtle [2] 217/3 217/5</p> <p>successful [11] 210/20 210/21 211/16 212/5 212/13 212/16 212/19 212/25 252/5 255/11 277/4</p> <p>such [1] 249/21</p> <p>suggested [1] 256/4</p> <p>suggesting [1] 252/24</p> <p>suitable [1] 238/15</p> <p>Suite [6] 193/16 193/23 194/9 195/4 195/16 195/21</p> <p>sum [1] 259/11</p> <p>summarize [3] 238/20 268/9 269/5</p> <p>summarizing [1] 228/10</p> <p>supply [3] 228/15 270/23 272/16</p> <p>support [1] 260/8</p> <p>supporting [1] 256/1</p> <p>sure [9] 209/25 214/21 223/17 235/13 254/18 266/18 269/7 272/25 274/9</p> <p>switch [2] 252/17 266/6</p> <p>switching [1] 267/22</p> <p>SWORN [1] 200/21</p> <p>system [2] 271/7 271/9</p> <p>T</p> <p>T's [1] 267/18</p> <p>T-Time [5] 214/15</p>	<p>215/10 267/16 268/14 269/10</p> <p>T-Time Warner [1] 221/24</p> <p>tab [10] 210/6 212/7 228/9 228/12 228/13 238/5 249/14 263/5 264/10 266/8</p> <p>table [2] 228/9 266/8</p> <p>take [3] 244/23 263/13 276/3</p> <p>takeaways [1] 212/8</p> <p>takes [1] 269/11</p> <p>taking [1] 274/9</p> <p>talked [2] 246/17 252/12</p> <p>talking [5] 203/15 239/16 239/25 242/16 271/15</p> <p>talks [1] 266/19</p> <p>Tallahassee [1] 194/3</p> <p>taught [1] 204/24</p> <p>teaching [1] 205/4</p> <p>telephone [1] 236/7</p> <p>tell [6] 201/10 242/20 244/6 253/7 253/9 276/14</p> <p>telling [2] 244/4 264/20</p> <p>tells [1] 274/9</p> <p>ten [5] 201/20 201/20 245/2 263/14 274/1</p> <p>ten-year [1] 274/1</p> <p>term [3] 246/4 251/8 266/20</p> <p>terms [7] 213/13 213/13 214/3 229/9 233/5 240/25 241/1</p> <p>test [1] 222/15</p> <p>testified [9] 200/21 203/2 203/4 203/6 203/23 204/5 204/9 205/12 272/24</p> <p>testify [3] 205/16 209/16 209/20</p> <p>testifying [1] 203/1</p> <p>testimony [5] 205/19 205/25 206/20 224/3 273/8</p> <p>than [13] 217/22 220/24 223/19 232/16 239/24 246/3 259/3 259/13 259/14 261/7 275/15 276/6 276/21</p> <p>Thank [6] 203/19 205/21 245/6 255/9 277/23 277/24</p> <p>Thank you [6] 203/19 205/21 245/6 255/9 277/23 277/24</p> <p>Thanks [1] 219/13</p> <p>that [342]</p> <p>that's [81] 201/18 205/2 208/21 211/14 212/16 215/14 216/20 217/10 218/2 218/8 219/18 219/22 220/2 220/5 221/7 221/11 222/19 223/2 224/10</p>	<p>224/11 226/3 226/4 228/7 228/16 229/19 230/2 230/19 231/13 231/17 232/15 232/16 232/21 233/12 235/10 235/11 236/8 237/12 238/18 241/14 241/25 242/18 243/6 243/12 243/17 243/20 244/6 246/17 247/1 247/12 247/16 249/20 250/12 258/15 258/25 259/5 260/9 260/23 261/22 263/11 264/8 264/10 264/14 264/22 265/25 267/6 268/1 268/24 270/17 270/20 270/21 271/8 271/12 271/21 272/11 273/11 273/11 274/8 274/11 275/12 275/14 276/11</p> <p>their [28] 201/13 204/16 210/24 222/22 224/25 226/15 227/1 227/13 227/19 230/3 230/4 231/10 232/24 234/14 234/18 235/9 235/14 237/22 239/13 239/18 241/21 241/21 242/23 242/25 244/1 244/15 244/18 265/10</p> <p>them [24] 205/5 208/7 209/4 209/18 209/18 210/17 213/18 219/21 222/4 222/4 223/21 225/12 226/1 227/20 247/8 247/9 247/13 253/3 253/7 253/9 257/15 257/16 267/17 278/8</p> <p>then [15] 212/18 213/11 214/19 217/12 229/22 232/12 234/17 238/1 240/3 252/14 268/15 272/17 273/25 275/15 275/21</p> <p>theories [2] 249/18 249/20</p> <p>theory [4] 249/15 250/2 250/4 259/20</p> <p>Therapeutics [2] 223/6 223/22</p> <p>there [68] 201/22 202/18 203/25 205/1 207/24 208/18 211/5 211/21 213/20 214/7 215/3 215/6 222/19 223/18 223/20 224/24 225/9 225/9 225/11 226/7 226/8 226/9 227/3 228/14 229/8 230/15 231/4 231/13 231/14 237/11 237/14 238/23 240/25 241/1 242/8 244/11 247/23 249/9 252/3 252/9 254/8 255/11 255/11 255/14 256/19 256/20</p>	<p>262/2 265/5 265/16 266/7 266/21 268/14 269/19 269/20 269/21 270/16 270/18 271/6 273/14 274/20 275/5 275/19 275/24 276/8 276/9 276/9 276/10 276/17</p> <p>there's [20] 213/22 221/15 230/20 231/17 235/22 238/24 238/25 243/11 252/16 254/11 255/4 255/18 256/20 269/8 269/20 273/4 273/5 275/23 275/24 276/1</p> <p>these [10] 207/3 208/21 211/17 219/3 220/25 223/25 227/12 229/5 252/14 265/25</p> <p>they [133]</p> <p>they'll [11] 215/2 222/23 223/4 223/5 223/5 223/6 233/15 239/10 239/14 240/4 263/20</p> <p>they're [31] 220/9 221/6 221/7 222/25 230/7 230/8 232/2 232/3 232/4 232/8 232/22 243/18 243/19 243/21 244/2 247/7 247/8 247/8 247/18 247/21 248/1 248/4 248/11 252/18 252/20 264/5 264/20 267/15 270/3 270/4 270/9</p> <p>they've [6] 212/22 217/16 225/22 236/16 263/23 264/21</p> <p>thick [1] 228/10</p> <p>thing [12] 215/20 221/10 230/6 233/12 233/21 236/8 236/9 239/25 242/3 265/22 268/20 270/24</p> <p>things [11] 208/18 237/23 238/24 238/25 239/10 243/8 256/20 259/22 270/13 274/20 276/8</p> <p>think [47] 212/9 212/9 212/10 213/17 214/21 214/23 214/24 214/25 215/2 215/2 220/5 221/16 221/18 222/7 227/3 227/12 230/1 235/2 235/3 235/4 235/15 235/16 236/3 236/14 238/20 238/21 243/5 243/6 244/25 247/1 249/1 253/5 254/8 254/14 256/8 260/19 261/20 261/21 263/17 264/8 271/11 272/17 275/10 275/23 276/4 276/16 278/4</p> <p>thinking [1] 260/3</p>	<p>third [7] 206/19 206/24 207/17 216/11 216/23 254/15 276/1</p> <p>this [87] 198/5 201/12 202/1 203/6 203/10 203/10 203/12 203/23 204/6 206/3 206/4 206/10 206/14 211/6 211/12 212/4 214/5 214/8 214/16 214/16 214/20 215/15 215/19 218/3 218/3 218/11 218/24 221/12 223/7 226/11 227/1 227/2 227/11 227/11 227/14 231/16 231/20 236/19 236/24 237/16 237/21 237/24 238/18 238/20 238/23 240/22 242/2 244/8 244/14 244/20 244/24 245/10 246/13 249/24 250/4 250/7 251/7 251/20 252/13 253/16 257/3 257/23 260/2 260/10 260/18 262/6 263/20 264/10 264/15 265/13 265/14 265/16 265/18 265/23 265/23 266/10 266/19 267/14 268/9 268/19 269/3 270/1 270/6 270/24 271/4 273/1 277/13</p> <p>Thomas [1] 204/2</p> <p>Thomas Hogan [1] 204/2</p> <p>those [25] 207/23 208/3 208/9 210/18 212/23 215/1 215/12 216/19 218/22 221/3 229/3 229/24 234/23 235/1 240/19 247/13 252/18 252/19 252/25 253/1 261/15 264/25 268/1 270/7 276/8</p> <p>though [3] 217/15 239/1 273/19</p> <p>thought [6] 213/2 213/24 214/15 239/24 255/15 260/10</p> <p>thousands [3] 239/1 239/3 239/4</p> <p>threat [1] 265/14</p> <p>three [14] 206/4 206/10 216/15 216/17 219/5 223/19 224/12 225/10 225/12 225/20 228/7 254/23 274/8 274/19</p> <p>three-year [1] 219/5</p> <p>through [13] 202/25 219/11 229/3 237/22 237/23 254/21 262/18 263/1 263/10 265/13 269/18 269/20 271/7</p> <p>till [2] 245/2 278/10</p> <p>time [21] 205/25 211/5 211/18 214/15 215/10 221/24 223/4 224/19</p>
--	--	--	--	--

T	typically [2] 209/3 269/4	uses [1] 224/10 using [5] 221/7 227/16 244/11 247/7 265/23 usually [1] 263/13	202/22 203/24 203/25 204/1 204/1 204/8 204/12 204/15 205/1 205/1 205/10 205/17 206/1 206/3 206/24 208/25 210/13 211/2 211/6 211/12 211/21 211/23 212/13 212/19 212/19 212/24 213/1 213/2 213/3 213/18 214/14 215/11 219/8 221/24 224/16 224/23 224/25 225/1 225/9 225/11 225/12 225/15 225/17 227/19 228/21 231/8 236/20 238/10 238/15 247/6 248/6 248/13 248/13 252/3 252/10 256/19 257/12 257/23 260/20 265/19 265/21 269/9 272/3 272/5 274/7 274/7 275/8 275/15 Washington [9] 193/5 193/16 193/24 194/7 194/13 194/17 195/16 195/22 196/5 wasn't [1] 225/24 wave [1] 202/13 way [17] 208/11 208/24 214/14 214/24 214/25 215/1 227/14 230/1 237/15 238/1 238/21 240/18 241/9 253/17 260/10 268/25 271/8 ways [3] 212/9 214/7 227/13 wc.com [1] 194/14 we [49] 200/13 200/15 201/16 201/18 201/20 202/8 209/2 209/3 209/4 209/7 222/2 225/19 226/1 227/11 227/14 227/21 229/22 231/22 237/11 239/15 244/2 244/5 244/8 244/21 244/21 244/23 245/3 246/17 250/12 250/18 251/22 252/3 252/4 257/13 264/4 264/5 264/23 267/4 268/24 269/10 274/6 274/8 274/11 276/3 276/10 276/14 276/15 276/17 278/7 we'll [6] 245/1 245/2 245/2 277/25 277/25 278/10 we're [4] 209/19 227/21 231/1 277/2 we've [3] 201/15 225/23 266/13 weigh [4] 259/21 259/22 268/18 268/20 Welcome [14] 198/14 198/18 198/22 198/25 199/4 199/8 199/11 199/14 199/17 199/20	199/24 200/2 200/6 200/10 well [42] 206/5 208/24 213/8 213/10 213/21 217/14 220/3 220/23 222/7 222/7 223/8 224/20 226/7 230/22 233/14 234/11 234/17 234/19 236/23 237/11 238/9 238/21 239/10 250/19 251/7 252/19 253/7 254/17 255/4 255/17 255/20 256/8 257/10 260/5 262/2 263/22 265/14 270/12 271/16 272/13 272/23 273/10 WellCare [48] 206/14 227/7 228/19 229/12 238/8 238/11 238/12 238/14 240/18 240/19 241/6 251/10 251/13 251/17 252/7 252/10 252/17 252/23 253/1 254/12 254/14 256/12 256/24 256/24 257/3 259/1 259/2 260/5 260/8 260/13 262/7 262/12 262/17 262/20 263/6 263/9 264/6 264/8 264/12 264/15 264/23 265/1 265/4 265/6 265/9 266/5 267/24 277/9 WellCare's [2] 263/3 263/7 went [2] 225/25 274/1 were [32] 202/5 202/10 202/18 205/24 206/17 207/24 208/2 208/7 208/12 211/15 211/17 211/18 212/14 213/20 215/13 217/15 221/9 224/24 225/9 225/11 229/8 239/15 240/14 257/14 265/18 266/23 267/17 267/24 267/25 268/14 268/20 276/21 weren't [1] 257/14 what [99] what's [9] 226/4 226/16 231/24 237/13 253/20 260/24 267/12 269/5 269/6 whatever [5] 232/2 233/24 233/25 239/20 256/24 WHATLEY [2] 195/3 199/22 Whatley Kallas [1] 199/22 whatleykallas.com [1] 195/5 when [40] 202/5 202/15 203/9 204/12 205/10 206/1 208/25 214/23 218/21 219/22 220/3 220/4 220/5
time... [13] 225/2 225/9 229/2 236/25 252/15 262/1 263/13 263/14 267/16 268/14 269/10 275/8 277/2 times [3] 203/5 204/11 228/21 titled [1] 279/4 today [3] 249/1 265/12 275/15 told [3] 226/24 265/4 265/5 too [10] 213/24 233/12 239/20 256/5 256/9 257/23 264/7 269/11 271/6 276/12 took [3] 207/23 211/18 239/21 top [3] 223/19 224/11 254/23 topic [1] 205/16 Torchmark [3] 253/19 253/21 253/22 Total [2] 261/7 261/11 Trade [3] 202/3 204/15 208/25 tradeoff [5] 231/16 231/17 232/21 261/22 268/12 traffic [1] 201/17 transaction [17] 203/25 205/9 205/17 207/15 215/16 215/19 218/11 218/24 220/6 220/15 221/9 221/10 221/12 224/21 235/16 235/21 254/1 transactions [4] 202/10 254/2 257/24 257/25 transcript [3] 193/9 196/7 279/3 transcription [1] 196/7 transferred [1] 252/7 Translate [1] 214/4 tremendously [1] 225/22 trial [4] 203/2 203/4 204/5 204/10 trickle [1] 271/20 tried [1] 250/24 true [1] 231/13 trying [7] 218/9 218/9 230/2 232/2 232/17 248/13 257/15 turn [1] 239/22 two [11] 212/9 219/5 228/14 235/1 237/23 249/21 254/23 259/22 264/23 270/12 272/13 two things [1] 259/22 two-year [1] 219/5 type [1] 208/15 types [4] 207/3 207/5 210/22 269/4 typical [2] 269/23 269/24	U U.S [8] 193/14 193/20 195/11 196/4 201/20 201/21 204/6 205/12 Uh [2] 213/7 253/12 Uh-huh [2] 213/7 253/12 ultimate [1] 224/25 ultimately [2] 230/2 234/12 umbrella [2] 220/11 234/24 unable [1] 266/5 under [3] 200/19 220/10 234/23 undercut [1] 251/17 understand [13] 217/4 225/17 230/1 231/6 236/4 236/13 237/6 237/8 237/9 238/9 238/11 255/7 264/25 understanding [14] 213/1 213/3 213/4 213/24 219/7 219/10 228/20 231/24 235/7 241/2 249/17 258/21 262/6 262/11 union [1] 232/2 unions [1] 229/17 UNITED [19] 193/1 193/3 193/10 193/13 198/2 198/5 198/8 198/13 198/17 198/21 198/24 200/4 225/12 225/19 227/16 227/16 254/16 265/19 265/20 United States [6] 198/13 198/17 198/21 198/24 200/4 254/16 United States of [1] 198/8 United's [1] 226/7 University [3] 201/3 201/5 276/2 unless [1] 255/15 unsound [1] 277/17 until [1] 252/13 up [15] 209/19 218/10 222/23 225/25 227/20 234/3 252/19 253/3 257/8 260/1 263/10 265/16 268/1 271/24 274/1 us [4] 201/10 201/22 238/14 253/7 usdoj.gov [4] 193/17 193/18 193/19 193/25 use [19] 210/22 215/12 217/9 221/8 221/23 222/2 222/5 222/8 222/20 228/8 242/2 242/13 242/13 250/8 252/13 252/17 254/7 265/20 271/12 used [1] 245/20	V vaccination [1] 208/20 valuable [2] 257/2 271/21 value [1] 257/10 variables [1] 275/20 various [3] 207/10 211/2 228/16 vary [2] 263/17 263/25 Vermont [1] 195/15 versus [3] 198/8 254/12 268/5 vertical [20] 206/17 207/16 213/23 213/25 214/4 214/24 215/4 220/6 221/9 249/15 249/18 249/19 250/2 252/2 266/11 269/4 269/8 269/15 271/24 277/12 vertically [4] 215/8 215/12 224/6 270/22 very [15] 201/11 214/17 219/22 220/22 228/10 238/18 244/24 245/5 250/19 260/3 275/2 275/2 275/7 275/15 278/9 view [10] 208/22 208/24 209/4 246/1 247/4 254/6 254/11 265/13 265/14 266/14 views [2] 245/17 245/23 vigorous [3] 207/18 224/23 225/1 violated [1] 251/3 volume [4] 231/22 231/22 232/21 232/23		

<p>W</p> <p>when... [27] 221/2 222/10 223/2 231/18 231/25 235/4 235/17 240/13 242/7 245/3 246/9 247/17 248/10 252/16 253/16 254/7 256/14 256/17 259/20 259/25 262/6 265/15 270/1 273/10 273/19 273/20 273/25</p> <p>where [29] 202/18 205/1 213/21 214/3 214/15 220/5 221/7 223/2 225/25 226/1 227/15 230/16 231/8 231/14 232/16 233/23 243/20 249/9 251/23 251/24 264/5 264/25 267/14 270/5 270/11 271/4 272/12 273/4 275/21</p> <p>Where's [1] 270/8</p> <p>whether [19] 202/22 206/12 215/3 215/11 215/16 217/9 217/12 222/15 238/14 245/23 248/14 259/20 260/4 269/11 269/16 269/25 270/1 270/3 270/4</p> <p>which [22] 216/15 218/1 218/2 221/16 221/25 222/6 224/24 225/12 226/11 232/9 244/9 246/17 252/23 261/1 262/9 262/9 265/21 267/5 268/25 275/4 276/6 276/24</p> <p>while [1] 204/15</p> <p>who [15] 201/23 208/12 222/20 224/9 229/9 233/8 233/8 239/21 240/15 245/16 245/20 248/8 255/12 271/6 276/23</p> <p>who's [2] 206/5 278/1</p> <p>whole [2] 254/21 257/4</p> <p>wholesalers [2] 242/9 242/17</p> <p>whose [2] 237/14 243/23</p> <p>why [12] 213/1 213/13 215/21 218/8 221/11 221/15 224/24 238/7 239/23 244/23 247/1 247/16</p> <p>wide [1] 256/20</p> <p>wife [1] 261/25</p> <p>will [24] 201/16 214/25 217/9 222/22 222/25 225/7 231/21 232/13 233/13 233/14 234/3 234/4 234/22 238/14 238/24 238/25 239/14 243/9 246/16 256/14 273/19 274/13 275/17 276/13</p> <p>William [4] 196/2 279/2</p>	<p>279/7 279/8</p> <p>WILLIAMS [2] 194/12 199/10</p> <p>willing [1] 232/22</p> <p>win [1] 245/20</p> <p>win-loss [1] 245/20</p> <p>winners [1] 209/6</p> <p>wins [1] 223/3</p> <p>within [3] 256/15 256/21 256/22</p> <p>without [2] 221/20 222/1</p> <p>witness [6] 197/2 200/14 200/19 200/20 209/24 278/1</p> <p>witnesses [2] 197/4 278/4</p> <p>won [2] 222/21 265/15</p> <p>won't [2] 219/25 235/1</p> <p>word [3] 233/14 242/13 242/14</p> <p>work [4] 201/12 204/21 239/11 248/8</p> <p>worked [10] 202/7 202/16 204/18 204/24 205/6 205/9 211/13 211/14 211/14 224/14</p> <p>working [3] 236/24 244/24 275/12</p> <p>works [2] 214/5 222/22</p> <p>world [6] 230/9 233/1 244/2 267/8 274/7 276/14</p> <p>worse [1] 238/13</p> <p>worth [1] 273/18</p> <p>would [75] 200/24 202/8 202/21 202/23 206/14 207/5 209/2 209/3 209/4 209/21 212/23 214/19 217/15 230/12 233/10 234/1 236/5 236/12 236/21 237/2 237/7 238/5 239/6 239/20 239/22 239/24 240/7 240/7 240/9 242/21 243/16 246/20 246/25 252/20 252/25 253/1 253/2 254/10 259/23 259/24 260/3 260/7 261/23 263/22 263/23 265/5 265/11 265/13 265/14 266/16 266/24 267/4 267/6 267/10 267/18 267/18 267/23 268/1 268/4 268/9 268/15 268/20 268/21 268/25 268/25 269/5 269/10 270/24 271/13 271/20 272/17 273/1 273/5 274/20 275/9</p> <p>wouldn't [4] 217/14 237/3 246/23 260/11</p> <p>write [2] 202/24 275/21</p> <p>writing [2] 235/9 235/12</p> <p>wrong [3] 218/4 218/6 269/24</p>	<p>wrote [1] 210/18</p> <p>Wu [48] 200/15 200/20 200/24 201/2 201/6 202/2 202/15 202/25 204/5 204/18 205/12 205/24 206/3 207/3 207/12 208/3 210/2 210/9 212/4 219/7 222/15 224/3 224/14 227/24 228/12 229/8 236/3 236/12 237/6 238/5 240/22 245/13 247/4 248/14 249/1 249/17 249/24 255/6 258/17 261/4 262/6 263/3 263/7 264/15 266/13 269/2 271/24 277/2</p> <p>Y</p> <p>yahoo.com [1] 195/13</p> <p>yeah [24] 208/8 211/25 213/12 214/18 214/22 216/24 217/7 220/23 222/12 223/25 231/13 240/1 240/1 243/2 247/16 247/19 247/19 247/25 254/20 255/14 259/9 263/22 271/22 272/20</p> <p>year [28] 203/24 205/15 219/5 219/5 219/10 219/12 219/15 220/25 221/6 226/11 227/2 227/3 252/13 252/15 252/15 262/12 262/13 263/14 263/18 263/20 265/23 270/25 274/1 275/2 275/2 275/8 276/19 276/21</p> <p>years [6] 201/9 219/4 221/4 228/17 250/19 273/3</p> <p>Yep [1] 225/21</p> <p>yes [98]</p> <p>yesterday [10] 206/18 206/21 209/12 209/14 224/3 228/23 229/8 236/4 258/18 272/25</p> <p>yet [1] 257/16</p> <p>York [1] 222/13</p> <p>you [176]</p> <p>You'd [1] 211/5</p> <p>you'll [2] 223/6 240/14</p> <p>you're [11] 218/8 218/8 221/17 226/1 239/25 242/5 242/16 242/18 260/15 261/15 277/22</p> <p>you've [8] 203/12 229/1 236/24 248/24 254/20 255/16 255/20 270/11</p> <p>your [70] 198/10 198/12 198/15 198/19 198/23 199/1 199/5 199/9 199/12 199/15 199/18 199/21 199/25 200/3 200/7 200/13</p>	<p>200/14 200/15 200/18 200/25 201/6 202/2 202/25 203/14 203/24 204/23 205/6 206/3 207/11 209/11 209/11 209/22 210/6 213/1 213/3 213/14 218/5 219/13 223/15 228/2 228/9 228/20 230/17 231/24 236/10 237/10 237/17 245/3 246/23 246/23 247/4 249/14 249/17 251/17 254/21 255/15 261/23 261/24 262/11 263/5 266/8 266/14 270/23 273/9 274/21 277/19 277/23 278/1 278/1 278/4</p> <p>Your Honor [27] 198/12 198/15 198/19 198/23 199/1 199/5 199/9 199/12 199/15 199/18 199/21 199/25 200/3 200/7 200/13 200/15 209/11 209/22 210/6 218/5 228/9 237/10 249/14 263/5 266/8 277/19 277/23</p> <p>yourself [2] 200/24 220/17</p> <p>Z</p> <p>Zaremba [4] 196/2 279/2 279/7 279/8</p> <p>zero [2] 272/6 272/11</p>
---	--	--	--